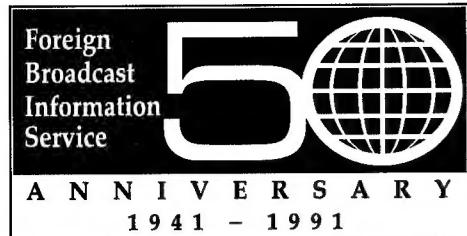


JPRS-SEA-91-016  
11 JULY 1991



# ***JPRS Report***

19980512 140

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## **East Asia**

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***Southeast Asia***

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# East Asia

## Southeast Asia

JPRS-SEA-91-016

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## POLITICAL

### Try Sutrisno, Others on Unity, National Leadership

91SE0282A Jakarta *KOMPAS* in Indonesian  
31 May 91 pp 1, 14

[Text] Jakarta (KOMPAS)—PANGAB [Indonesian Armed Forces Commander] General Try Sutrisno stressed that the concept of national unity and integrity is not closed and narrow, because the family principle means that every citizen is involved and responsible in a life oriented to the community, nation, and state.

Speaking at the National Symposium on Support for the State at LIPI [Indonesian Science Institute] in Jakarta on Thursday [30 May], the PANGAB emphasized that national unity and integrity reject every form of discrimination, whether on grounds of ethnicity, race, ancestry, skin color, regional origin, position, or status. National unity and integrity are not founded on ethnic considerations but on a search for oneness. For that reason, the Indonesian people do not accept the concept of a majority or minority and believe that all citizens have the same status under the law and before the government.

"Such a way of life is a special characteristic of Indonesia and applies to all aspects of national life, including the doctrine of overall defense and security of the people. Thus, all the people are involved in guarding, maintaining, and improving national and state security conditions," the PANGAB declared.

At another point in his speech, General Try Sutrisno said the present structure and mechanism for national development are pointed in the right direction. Some efforts are needed, however, to improve technical implementation, which must be of higher quality and done with more care, coordination, proportion, and professionalism. Methods must also be found to reduce and prevent undesired excesses, whether as a consequence of development activity or because of development successes.

He said, among other things, that he hopes the structured mechanism of development will not produce an attitude of "routine-ism." Besides drying up enthusiasm and dedication and reducing awareness of nation and state, such an outlook also blocks creativity and motivation, while eroding a sense of national identity and values.

### National Leaders

Sayidiman Suryohadiprojo, who presented a paper, viewed leadership, cadre, and community problems as relating to national development. He pointed out that people now feel the need to produce national leaders, because they need leaders at both national and regional levels.

"It is not enough for the nation to depend on merely a few people with aptitudes for top leadership. Such people are now scarce and hard to find." Therefore, he continued,

ongoing development also requires people whose leadership aptitudes are not very high. Such cadres need appropriate education and training to make them sufficiently effective.

He therefore emphasized the importance of developing human resources as a way to develop national resources. Without human resources, the Indonesian people will lack potential leaders capable of functioning effectively in a variety of sectors.

He noted further that lower echelon leaders are no less important than those at upper echelons. Because the sphere of influence of upper echelon leaders is broader, however, their impact is also more extensive. Consequently, they must have the capability to create a climate conducive to national development.

He said that there are four factors that determine whether a person has the potential to be a leader: superior intelligence; persuasiveness; perseverance and determination; and an ability to mix with all kinds of people without losing his own convictions.

In principle, Sayidiman said, the national-level leadership is expected to give perspective and motivation to the entire nation so that it will be able to achieve its objectives. Therefore, there are three matters that leaders must pay attention to if they are to bring their nation into the future: the leader's responsibility to enhance the vitality of the nation; promotion of a strong sense of morality in order to prevent approval of wrongdoing; and the creation of a more democratic society and elimination of the feudalistic system.

### The Alienation Factor

Abdurrahman Wahid said that if there is a desire to develop the leadership, consideration must be given to the alienation that arises from the abuse of power. He said that this abuse of power arises from confusion caused by deceptive language, which in turn comes from euphemisms. This situation reflects the ambivalent attitude of the people and is a major problem for the nation.

According to Gus Dur, as Abdurrahman Wahid is called, alienation is the result of a confused picture, affecting us all. This situation is caused by the existence of two mutually contradictory viewpoints. On the one hand, social interaction is determined by a normative measure in which everything must be good. On the other hand, realities in social life are not compatible with the normative measure. Consequently, a pragmatic attitude of wanting to solve problems quickly has developed. "In reality, however, as soon as problems come, people run from them," he said jokingly.

He said the language now developing in society is a language that manipulates symbols. What happens, therefore, is that there are merely one-sided interpretations of things, and the people are left to understand them by chance. Ultimately, this requires a deceptive "meta-language," which inevitably makes people accuse one

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another. The accusations are then resolved by interpretations. Interpretation organizations then emerge, which in turn abuse power. Since the interpretations are one-sided, confusion arises. In the end, all sides make their own interpretations. As a result, very great and extensive alienation arises among groups. This alienation is so strong that uncontrolled polarization emerges. "This represents a great threat to us in the future," he stated.

### **High State Institution's Functions Described**

*91SE0282C Jakarta SUARA PEMBARUAN  
in Indonesian 30 May 91 p 2*

[Article by Dr. Mr. "Meester," (title for holder of a Dutch law degree) J.C.T. Simorangkir: "Improving the Constitutional Function of Parliament Through the 1992 Elections"]

[Text] The UUD 1945 [1945 Constitution], which the new order has vowed to implement fully and consistently, identifies six state institutions. In the order of their presentation in the text of UUD 1945, these are: (1) The People's Consultative Council (MPR); (2) the Presidency; (3) the Supreme Advisory Council (DPA); (4) Parliament (DPR); (5) the Financial Auditing Board (BPK); and the Supreme Court (MA).

The MPR has divided these institutions into two groups and has designated them as "supreme" and "high." Using the DM law of the Indonesian language, this writer leans toward putting them in this order: the supreme state institution, i.e., the MPR; and the high state institutions, or the other five. The MPR refers to them as the "Supreme State Institution" and "High State Institutions" (Decision No. III/MPR/1978 on the Status and Working Relationship of Supreme State Institutions and High State Institutions).

All the state institutions, both "supreme" and "high," have their constitutional functions as well as relationships with one another. This article will focus attention on the high state institution, called the DPR, because of its close involvement in the upcoming 1992 election.

### **The DPR's Functions**

UUD 1945 specifies the following functions for the DPR as agreed upon by the government and the people's delegates in the DPR, and as described in Law No. 16 of 1969 on the Structure and Status of the MPR, DPR, and DPRDs [regional legislatures] (and amended first by Law No. 5 of 1985 and then by Law No. 2 of 1985): (a) the making of laws in cooperation with the government; (b) the establishment of the national budget (APBN) in cooperation with the government; and (c) oversight of government actions. In literature, the DPR's functions are also described as: (a) legislative; (b) budgetary; and (c) supervisory.

As for the DPR's legislative function, the framers of UUD 1945 determined that the president of the Republic of Indonesia has the power to make laws with the approval of the DPR (article 5, paragraph 1, of the UUD 1945). This

provision is said to mean that each law must have the DPR's approval (article 20, paragraph 1, of UUD 1945).

Thus, UUD 1945 states that the role of the government/president is dominant in the making of laws, in the sense that the president has the power to draft laws, with the provision that they must be "with the approval of the DPR" (article 5, paragraph 1, of the UUD 1945). It is not surprising, therefore, that draft laws (RUU's) come from the government, with the understanding that no RUU initiated by the executive branch will ever become law without the DPR's approval.

Naturally, the DPR will not mindlessly give approval to RUU's that come from the executive branch. If that were the case, the phrase "with approval of the DPR," which describes the role of the DPR, would be meaningless. It would have been enough to shorten the provision to, "The president has the power to make laws." Thus, Article 20, paragraph 1, of UUD 1945, which says, "Each law must have the approval of the DPR," could have been eliminated. That is not the case, however.

The constitutional provision that the president has the power to make laws with the approval of the DPR does not reduce, much less eliminate, the provision that DPR members have the right to submit RUU's (article 21, paragraph 1, of UUD 1945), which is known as the "DPR's right to an initiative." The Indonesian press often points out, in a way some people call "criticism," that the DPR does little or nothing to use this constitutional opportunity, despite the guarantee of this right in UUD 1945 and the volume of material available for an RUU proposed at the DPR's initiative.

In answer to the charge that the right of initiative is poorly supported, if not hindered, by the DPR Procedural Rules (PTT), some people point out that the PTT is "made by, and can be changed by," the DPR itself.

Expressing the DPR right in the form of law does not itself bring about the desired solution to the problem. DPR rights are included in Law No. 16 of 1969 on the Structure and Status of the MPR, DPR, and DPRDs. It appears that, besides formal regulations, "the enthusiasm of the people who implement laws is the most important aspect," to borrow the words of the framers of UUD 1945. At least, enthusiasm is as important as anything.

### **Budgetary Function**

With regard to the DPR's budgetary function, the DPR is required to establish the APBN each year in the form of law (article 23, paragraph 1, of the UUD 1945). The UUD 1945 also refers to this as the DPR's "budgeting" right. Because of the provision, "established in the form of law," the budgetary function also includes a legislative function, but without the DPR's right of initiative.

Although the APBN is related to legislation, there is reason to mention it separately as a budgetary function, since the APBN has special meaning for the nation and the state. UUD 1945 provides an explanation: The way in which the

APBN is established indicates the state's type of government. In a fascist state, the budget is determined entirely by the government. In a democracy or a state based on the people's sovereignty, like Indonesia, the APBN is established in the form of law, in other words, by the DPR. The people themselves, through the DPR, decide how they will live and where they will get the funds.

UUD 1945 also explains that in determining revenues and expenditures, the DPR's position is "stronger" than that of the government. This is an indication of the people's sovereignty.

There is not yet an agreed, official, standard formulation of the essence, content, and meaning of the statement "the DPR's position is stronger than that of the government." Maybe there needs to be a seminar on it?! It is clear, of course, that the meaning of the statement is as expressed in UUD 1945: If the DPR does not ratify the budget proposed by the government, the government will use the budget of the previous year (article 23, paragraph 1, of the UUD 1945). The words "stronger position" also has another meaning, however, which is "homework" for those in authority.

The DPR's supervisory function is that of constantly overseeing the actions of the president. UUD 1945 states that all DPR members will also serve as members of the MPR. Thus, the DPR is able always to oversee the president's actions. This function has constitutional sanction. If the DPR feels that the president has truly violated the country's policies as determined by the constitution or the MPR, the MPR may call a special session to ask the president to account for his actions.

Thus, the "execution of constitutional sanctions" in connection with the supervisory function is in the hands of the MPR, which represents all the Indonesian people.

#### 1992 Election

If the constitutional functioning of the DPR, some of which was touched on above, is to be improved on by the DPR and to be voted on in the 1992 election, as the people expect and as vigorously voiced in the mass media, the requirements for DPR candidates should be given attention. Besides the formal prerequisites laid down in regulations and in conditions set by the respective election participant organizations, requirements and capabilities related to the constitutional functions of the DPR should not be forgotten.

Since all DPR members are also ex officio members of the MPR, the constitutional duties of the MPR (such as determining the GBHN [Broad Outline of State Policy] and electing the president) must also be considered. In the 1992 election, much is expected and required of the DPR candidates, who are at the same time MPR candidates. They must be representatives of the people in the broadest sense and therefore must be the best sons and daughters of Indonesia.

#### Continued Role Seen for Islamic Boarding Schools

91SE0282B Jakarta MERDEKA in Indonesian  
30 May 91 p 6

[Text] Yogyakarta, 29 May (ANTARA)—Keeping the Islamic board school as an institution and an Islamic educational system does not mean simply maintaining a tradition, said K.H. Atabik Ali, director of Yogyakarta's Al Munawir Islamic Boarding School, better known as the Krapyak Islamic Boarding School.

"The Islamic boarding school will remain and evolve to keep up with the times, and this Islamic educational institution will have a part in supporting higher education," he said Monday [27 May] in a speech at a ceremony for laying the first brick of an enlargement to the Krapyak School.

He said that tradition and modernization need not be mutually exclusive, for both aspects can live and develop side by side. Therefore, the Islamic boarding school will continue to grow as an institution and as a system that compels its students and teachers to have a broad point of view if they do not want to be behind the times.

As an example, he said the "yellow book," (a book written in vowelless Arabic script) will continue to be used for instruction at boarding schools.

In his speech, Sri Sultan Hamengku Buwono X likened a village's Islamic boarding school to a railroad. In other words, he said, a boarding school always enhances a village's dignity and status.

#### MILITARY

#### Germany Wishes to Increase Military Cooperation

91SE0278 Jakarta MERDEKA in Indonesian  
8 May 91 p 1

[Text] The Chief of Staff (Kasab) of Germany's Armed Forces, Admiral Dieter Wellershoff, has stated his desire to gain a deeper understanding of the philosophy, doctrine, and history of the struggle of the armed forces in Indonesia.

"That, among other reasons, is the purpose of the German Chief of Staff's visit to Indonesia, in addition to the fact that he has come here with a view to increasing military cooperation between the two countries," said the Commanding General of Indonesia's Armed Forces [ABRI], General Try Sutrisno, after he had accompanied President Suharto in receiving the courtesy visit of the German chief of staff at the Jalan Cendana residence, Jakarta, on Tuesday.

"I discussed these matters with our guest, beginning with the story of the birth of Indonesia's armed forces, and going on to cover ABRI's philosophy and doctrine, as well as the struggle of each of the services in defending the sovereignty of our people and nation," said General Try.

He said that in their discussions, the German Chief of Staff had presented information concerning changes on the

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European mainland, especially in Germany itself. This included the activities of the armed forces, which not only defend the security of the country but also keep a close watch on the changes that are taking place.

During his visit, Admiral Dieter Wellershoff told reporters that his visit to Indonesia was the first since Germany accomplished its reunification last year. Admiral Wellershoff discussed, both with President Suharto and with General Try Sutrisno, the possibility of increasing cooperation, especially the exchange of military personnel between the two countries.

"Cooperation of this kind has taken place since 1963; it has included the sending of military observers and staff on the occasion of certain exercises, both those conducted in Germany and those in Indonesia. This sort of cooperation has always undergone an increase each year, and of course it is hoped that in the years ahead it can be even further increased," said the German Chief of Staff.

Try Sutrisno added that cooperation between personnel had been particularly notable in the case of Germany, especially in the area of the control of naval equipment.

**Clearing Begun for U.S.-Aided Rice Fields**  
*91SE0265A Vientiane PASASON in Lao 8 Apr 91 p 1*

[Unattributed report: "Clearing Begun For Hmong Rice Fields in Unused Swampland"]

[Text] The clearing has begun for rice fields for the Hmong in a newly developed area of unused swampland affiliated with Vieng Thong District of Houa Phan Province. The funding was provided by our government and the Lao-American Countryside Development Project. It amounted to 20 million kip.

Mr. Kham-ong Thibounma, the head of the Lao-American Countryside Development Project, told reporters that on 23 March, project officials had sent three tractors with plows to clear land for rice fields for the almost 60 Hmong families which had come from many districts in Houa Phan Province. Previously, these families had engaged in slash-and-burn agriculture and had raised illegal crops to make a living. Project officials were working with the local administration to make sure that these Hmong changed their professions and grew wet-field rice and other commercial crops. Mr Kham-ong said that 8 hectares of rice fields had been cleared. He thought that during the wet-field rice harvest this year, 70 hectares would be cleared. After the land was cleared it would be apportioned, and each family would control his production under the leadership of the specialists of the Lao-American Project.

**Joint Venture Store with PRC Announced**  
*91SE0269B Vientiane VIENTIANE MAI in Lao 22 Apr 91 p 1*

[Unattributed report: "A Joint Venture Store To Be Set Up To Sell Chinese Goods in Vientiane"]

[Text] There was a reliable report last week in the newspaper VIENTIANE THOULAKIT-SANGKHOM that in the period from 19 to 26 January this year, there had been discussions between representatives of the administrative committee of the Vientiane municipality of the LPDR and representatives of the administrative committee of Guangdong Province in China. The Chinese side proposed that a joint venture store be set up to sell PRC goods in the Vientiane Municipality. If possible, the Chinese side would like the store to be duty free so that the prices of goods would be lower. The representatives of the Vientiane municipality will consider the proposal. They thought it would be possible because previously, Nanhai City of Guangdong Province had signed an agreement to set up a joint venture to produce consumer goods in Vientiane municipality and had asked permission to make this investment from the Lao side. This enterprise was to be a woodworking plant called, "Viang Hai". The report also stated that trade agreements had been signed between Vientiane and the PRC for eight projects with two provinces, Guangdong Province and Yunnan Province. There were four projects with each province.

**Oudomxai Province Trade Data**

*91SE0265B Vientiane PASASON in Lao 23 Apr 91 p 1*

[Unattributed report: "The No. 2 Export-Import Company of Oudomxai Province Exported Goods Worth 27 Million Kip"]

[Text] In the first 3 months of this year the exports of the No. 2 Export-Import Company of Oudomxai Province totalled more than 27 million kip. The principle exports included plywood, pouak bong, pouak ko, and dried tea leaves.

The exports of this company went primarily to Vietnam and China. In addition imports were handled more successfully than before. Imports included construction equipment, production materials, and some consumer necessities. These amounted to more than 54 million kip.

During this period the company fulfilled its obligation to the budget in the amount of 5.8 million kip.

**Quality Control Firm Established with SRV**

*91SE0265D Vientiane VIENTIANE MAI in Lao 22 Mar 91 pp 1, 4*

[Unattributed report: "Laos and Vietnam Will Cooperate on Quality Control for Exports and Imports"]

[Text] In response to the invitation of the Lao Council for Trade and Industry, a group of representatives from the Vietnamese quality control company for exports and imports led by Mr. Boui Houi Heuang visited Laos and held talks with a group of representatives of the Lao Council for Trade and Industry on problems in business cooperation. The goal was to set up a quality control company for exports and imports in the LPDR.

Both sides agreed to set up a joint company for quality control to bring the quality of Lao goods in compliance with investment laws. In April, the Lao side will send an outline for proposed action to Vinakongton. Then at the end of April, Vinakongton will respond to the various proposals. It is expected that by the middle of May, they will meet in Hanoi and sign an agreement. According to plans, they will begin activities in June and will divide the benefits 40:60.

In the afternoon of 20 March at the Lao Council for Trade and Industry, a memorandum was signed by Dr. Pan Latsavong, the Vice-chairman of the Council for Trade and Industry, and by Dr. Boui Houi Heuang, the director of the Vinakongton Company. The ceremony was held in the presence of many high-level cadres from both sides.

**Problems in Highway of Soviet, SRV Construction**

*91SE0265C Vientiane PASASON in Lao 19 Apr 91 pp 2, 3*

[Report by Thabongsak Vongsakda: "The Condition of Highway 9"]

[Excerpt] [Passage omitted] In 1978-1979 our government had proposed that Vietnamese experts make construction

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## LAOS

plans and that the Soviet Union supply the funds and vehicles. Because the Vietnamese construction plans proposed high standards and the construction costs were high, Soviet experts changed the plans from concrete to asphalt. In the end, the construction plans were for a macadam surface.

In 1979, construction of the highway subsurface was begun. The section from Keng Kabao to Phalane was constructed by an irrigation company. The section from Phalane to Sepone was constructed by the Highway 9 Construction Company. And the section from Sepone to the Vietnamese border was constructed by a Vietnamese company. Construction of the subsurface for Highway 9 was completed in 1985.

The subsurface was eroded by traffic and weather. It was estimated that this erosion amounted to 4 centimeters per year. According to estimates, it would cost about 60 million kip per km to rebuild the subsurface. But the government was only able to permit expenditures of 27 million kip per km. So for this construction they had to use local gravel pits for fill because of budget considerations. Some gravel pits were of poor quality. In addition, we did not have enough rollers and packers to pack the subsurface sufficiently, and it did not meet standards. For example, in the section from Sepone to the Vietnamese border, the Vietnamese company used a labor force of 2,000 but had only one 10-ton roller. This was the reason the compaction was insufficient, the ditches filled in, the fill washed off the road, and there was always the problem of flooding. Now it is necessary to rebuild some parts of this section of the road again.

The traffic along Highway 9 has increased to the point where it is heavier than the construction plans called for. The plans anticipated 150 to 300 vehicles per day by the year 2000. But in July 1990 there were 1,067 vehicles per day, and of these, 230 were 20-ton trucks. This traffic in excess of road capacity is thought to be normal and will be another problem causing the road repairs to require a great deal more funds and machinery.

Mr. Uf Vonlin, a Swedish expert stationed in Laos, expressed the opinion that damage to Highway 9 was a serious problem for the ministry as well as the Lao government. One good approach would be for us to study the situation carefully to find the various causes for the damage to this road. We had to use geologists from England to research and find the course of action to be taken with the section of Highway 13 from Vientiane to Tha Bok. After that we were able to estimate the funds needed correctly, and the repair plans were assured of success.

#### **Trade Ministry Says No Export-Import Monopolies**

91SE0269A Vientiane VIENTIANE MAI in Lao  
22 Apr 91 pp 1, 4

[Unattributed report: "There Are No Export-Import Monopolies"]

[Text] The newspaper VIENTIANE THOULAKIT-SANGKHOM of the 20th of this month reported that there were no monopolies in the export-import sector of any kind. If any businessman in any business was willing to operate according to all the terms set by the Ministry of Trade and Tourism, he would be permitted to proceed.

There were rumors that monopoly rights had been granted to an export-import firm which caused some businessmen to have doubts. Foreign newspapers were also interested in those reports. In order to inform people correctly, VIEN-TIANE THOULAKIT-SANGKHOM asked the Ministry of Trade and Tourism for more details. Comrade Sisounthon Sitthimolada, head of the Ministry's office, said that no company had a monopoly and no monopoly rights would be given in this sector. It was only recommended that companies intending to conduct export-import business accept the suggestions and obey the conditions set by the Ministry of Trade and Tourism. The ministry would then give permission. There were already five companies which had accepted these conditions: the Vientiane Municipality Export-Import Partnership Company, the Vientiane Municipality Export-Import Company, the Lao Trading Company, the BK Company, and the Somboun Export-Import Trading Company. In addition, there were three companies making proposals, and the ministry was considering these proposals prior to giving permission.

According to information obtained by VIENTIANE THOULAKIT after the change was passed by the assembly on 6 April 1991, the five companies which initially proposed to operate according to the terms set by the ministry and were given permission to conduct business have been successful in many ways as can be seen. This sector provided twice the tax revenue, and the kip was stable in the market. The exchange rate on the free market had been 1 baht for 27.5 to 28.7 kip, and now the rate was 28 kip for 1 baht. Cash was being regularly deposited in banks. According to statements before New Years, 700 million kip in cash was brought to banks by the five companies to be exchanged.

The director of the Vientiane Municipality Import-Export Partnership Company told us that after they had proposed to operate according to the principles specified by the ministry, the administration of sales and the reporting of the amounts of various types of goods imported had gone well. There were fewer goods imported but the amount of taxes collected had increased. We were able to say that we might be able to eliminate smuggling by those groups which had been smuggling in the past.

The head of the ministry office said finally that he had requested every company and individual to conduct export-import trade strictly according to the conditions adopted by the ministry. If any company or enterprise accepted all the terms and wanted to conduct such trade, they should report their intentions to the ministry for permission to conduct business correctly.

## POLITICAL

### Criticism of Proposed Chinese Cultural Center

#### Political Parties Oppose

91SE0286A Kuala Lumpur BERITA HARIAN  
in Malay 19 May 91 p 2

[Text] Kuala Lumpur—A number of people regret the unwillingness of the MCA [Malaysian Chinese Association] to budge from its decision to proceed with the establishment of a Chinese Cultural Center in this country.

Many people want the MCA to reconsider its plan for building a Chinese Cultural Center, or "Chinatown," and instead to promote the "Year 2020 Concept" for making Malaysia an advanced, pluralistic country.

UMNO [United Malays National Organization] Secretary-General Datuk Mohamed Rahmat said the cabinet has directed everyone involved, whether individuals, politicians, or cabinet ministers, to make no further statement about the center's establishment.

He said the MCA should comply with the resolution passed by its Youth Movement in 1986 that the people of this multiracial nation need to promote the concept of a nationalistic country.

"In that resolution, MCA Youth declared that no one in this country is an original inhabitant and that everyone came from surrounding islands or other Asian countries.

"The resolution said that the Malaysian people need to adopt a national viewpoint and not demonstrate communal attitudes, whether through housing enclaves or cultural centers," he said.

Ahmad Zahid Hamidi, information chairman of UMNO Youth, also regretted that the MCA still wants to proceed with its plan despite opposition by many cultural specialists, political leaders, and intellectuals.

As a National Front component, he said, the MCA should think about the development of the entire nation.

Ahmad Zahid said the MCA will use the Chinatown issue to make "unusual" demands, especially looking ahead to the national economic policy that will be implemented when the New Economic Policy expires.

He said UMNO Youth believes there is a "mastermind" planning to incite narrow communal feelings among Malaysians of Chinese descent.

"UMNO Youth, as a 'guardian' of Malay culture challenges the MCA to an open debate on the issue," he said.

Gerakan Vice President Datuk Alex Lee said that all activities, including cultural ones, that arouse dissatisfaction and opposition to other communal groups need to be avoided.

"Cultural activities should unify the people, not divide them," he told reporters in Kelang yesterday after inaugurating a child abuse seminar sponsored by the Kelang Rotary Club and the Selangor Legal Aid Bureau.

MCA President Datuk Seri Dr. Ling Liang Sik said yesterday that the MCA will proceed with its plan to create a "Chinatown" and that the party's Central Committee has given a mandate to the Presidential Council to ensure that the plan moves smoothly and becomes a reality.

Commenting on that statement, Datuk Alex Lee said, "If the MCA wants to proceed with the plan, it should discuss it with the Ministry of Culture, Art, and Tourism so that they can create a culture village that embraces the cultural and historical characteristics of all Malaysian communal groups, including ethnic groups in Sabah and Sarawak."

Hisbul Muslimin Party President Datuk Haji Sudin Wahab said the MCA should not make such a decision before discussing it with top National Front leaders.

#### MCA President's Defense

91SE0286A Kuala Lumpur BERITA HARIAN  
in Malay 19 May 91 p 2

[Text] Kampar—MCA President Datuk Seri Dr. Ling Liang Sik asks everyone to avoid raising his voice about the Chinese culture town, or "Chinatown," saying that such talk does not benefit anyone.

On the contrary, he says, such talk will cause divisions among this country's multiracial society.

"Certain groups are trying to make a racial issue out of the MCA plan. Most people are not easily influenced, however, because they want to maintain security and stability in the country," he told reporters yesterday after inaugurating an athletic event at a private Chinese school.

The MCA plan became a controversial issue after a number of people, including UMNO leaders, expressed their opposition.

Datuk Seri Dr. Ling, who is also minister of transportation, said he will meet with Prime Minister Datuk Seri Dr. Mahathir Mohamad to explain the concept behind the establishment of the culture town.

"As a first step, I will meet with the prime minister to get his advice so that there will be no misunderstanding about the matter," he said.

He said the public should not make a political or racial issue out of the MCA plan.

"Stability, security, and progress are the most important matters. The MCA and other components of the National Front are working hard to that end," he said.

Commenting on the UMNO Youth challenge to the MCA to hold a public debate on the issue, Datuk Seri Dr. Ling said that anyone can make statements.

"Malaysia is a free country. Anyone may make statements about anything he wishes," he said.

**Restrictions on PRC Study Not Yet Lifted**

91SE0281A Selangor SIN CHEW JIT POH in Chinese  
28 Apr 91 p 1

[Article by Tai Hsiu-ch'in: "Students Who Go to China to Study are Anxious About Being Able to Return. Ministry of Home Affairs Approval Before Handling of Procedures. Immigration Bureau Cautions Against Looking For Trouble"]

[Text] (Kuala Lumpur 27 April) Immigration Department Chief Inspector Datuk Seri Dannier [phonetic] requested local students who desire to go to China for study to first seek approval from the Ministry of Home Affairs before procedures for study abroad can be handled.

Datuk Dannier said that although the government has lifted restrictions on China travel, travel is still limited only for tourism, business, or medical treatment. Passports restrictions have not been lifted 100 percent on marriage and study abroad. Actually, restrictions on these two activities remain until the government says otherwise.

He said that local students might pursue studies in China without contacting the Ministry of Home Affairs; however, when returning to Malaysia to renew their passports, they "might" encounter problems in getting a new passport. Therefore, he urged local students to be careful so as to avoid problems that might arise upon their return to Malaysia.

He said, "When the government removed the restrictions on travel to China, passports were not explicitly limited only to business and social purposes. Nevertheless, that does not mean that passport holders could marry people in China or go to China to study."

He explained that government did not explicitly limit passports for business or social contacts reasons because it

believed that an overwhelming majority of citizens going to China would have tourism, transacting business, visiting relatives, or seeking medical treatment as their goal. Only a small number of people would go to China to study or to marry a Chinese.

Datuk Seri Dannier made these remarks at a Hari Raya tea party he attended this morning, in answer to the reporter's questions about whether local students could go to China to study.

Datuk Seri Dannier believes that if local students really want to go to China to study, the Ministry of Home Affairs ought not put obstacles in their way. They should be able to obtain permits to study in China.

He also said that the country's citizens should not expect a 100 percent change. It was not until 1990 that the government formally removed restrictions on travel to China, so citizens should not expect that within the short space of several months, relations between the two countries would have opened to the point where study and marriage is permitted.

He believes that if everyone would turn to local government authorities as soon as they have questions, many problems could be readily solved.

Datuk Seri Dannier also revealed to the reporter that two Malaysians working in China have requested approval to marry a local Chinese citizen.

"We have turned this request over to the Ministry of Foreign Affairs for handling. If the Ministry of Home Affairs approves, they will be able to bring their spouses back to Malaysia; otherwise, we will not recognize their marriage."

He said that in September 1990, the government had removed restrictions on the travel of Malaysian citizens to China, but we still restrict the people of that country from residing in Malaysia.

## ECONOMIC

### UK Supports East Asian Economic Group

91SE0277 Jakarta *BISNIS INDONESIA* in Indonesian  
6 May 91 p 11

[Text] SINGAPORE (Press Bureau): Britain supports the proposal by Malaysia for the formation of an East Asian Economic Group (EAEG), provided it does not interfere with free trade.

If this grouping is anti-free trade in nature, then the East Asian nations will of course object to becoming members, especially when one recalls that their economies depend on trade, said Lord Caithness, Minister of State in Britain's Office of Foreign and Commonwealth Affairs, at the end of last week.

He regards Malaysia's desire to form the EAEG as a natural one, in view of developments in Europe where countries are everywhere tending to unite, while in North America, a free trade agreement is being drawn up between Canada, Mexico, and the United States, because of the opening up of opportunities for negotiation.

But he reminded his listeners that if the trading blocs which are being formed have goals that go beyond the above considerations, world trade would then decline and the whole world could even experience a recession like the Great Depression of the 1930s.

In another part of his interview with THE STRAITS TIMES, Lord Caithness said that Britain would constantly devote major attention to developments in Southeast Asia, although the single market is going to be established in 1993.

"Indeed it cannot be doubted that there are many problems to be confronted by Britain, but I wish to stress here that Britain expects to continue to be able to maintain its involvement in this region," he said, adding that Britain's connection with Southeast Asia is concerned mainly with trade and investment.

Lord Caithness, who was in Singapore last week, was able to meet with his colleague in that country, George Yeo. One of their topics for discussion was the problem of the EAEG. They also examined the question of the annual ASEAN-European Community meeting, which will take place in Luxembourg at the end of the month.

According to Caithness, he had given an explanation to Brigadier-General Yeo concerning developments in Britain and the European Community, while his Singapore colleague had explained to him the latest issues concerning ASEAN and Singapore.

A matter that also engaged their attention was the problem of China and the British crown colony, Hong Kong.

Caithness told Yeo that Britain and China are going to complete their talks concerning Hong Kong's plan to build a harbor and airport. Their previous talks had broken

down because China had persisted in its desire to participate in whatever projects that, according to Beijing, would have a bearing on the future of Hong Kong.

### Financial Agreement With Romania Signed

91SE0289C Kuala Lumpur *UTUSAN MALAYSIA*  
in Malay 21 May 91 p 23

[Text] Kuala Lumpur, 20 May—The Central Bank today signed a bilateral payment agreement with the National Bank of Romania, the first with an East European country.

The purpose of the agreement is to encourage trade and investment between Malaysia and Romania and to establish close cooperation between the two central banks and the financial institutions of both countries.

Central Bank Governor Tan Sri Jaffar Hussein represented Malaysia in the meeting, and the National Bank of Romania was represented by its governor, Dr. Mugur Constantin Isarescu.

Tan Sri Jaffar said the agreement shows this country's seriousness in finding trade partners and new markets in the world.

"The volume and pattern of Malaysian trade is an important factor in ensuring the country's growth and development. We cannot be satisfied with trade with our traditional partners alone."

"We need to find new partners and create new investment tools to encourage Malaysian trade with other countries," he said.

He said the agreement will increase trade and investment between Malaysia and Romania.

In establishing this agreement, he said, Malaysia used the Iranian bank payment system as a model.

Tan Sri Jaffar said he is confident that there is great potential in trade ties among Southern [as published] countries but that closer cooperation is needed to realize success.

The agreement with Romania is the sixth payment agreement for the Central Bank. The bank has already signed similar agreements with the central banks of Iran, Venezuela, Mexico, Nigeria, and Mozambique.

Agreements with Zimbabwe, Botswana, and Chile are to be signed soon.

### Japan, Korea Interested in Crude Oil Purchase

91SE0289B Kuala Lumpur *UTUSAN MALAYSIA*  
in Malay 22 May 91 p 4

[Text] Kuala Lumpur, 22 May—PETRONAS [National Petroleum Company] has received positive responses from several Japanese and Korean parties interested in buying Malaysia's newest crude oil, called Dulang, under long-term contract.

PETRONAS is not yet ready to sell under contract, however, because it wants Dulang crude to have a "separate appeal" on the open market.

PETRONAS President Tan Sri Azizan Zainul Abidin said that if the size and value of an order are big enough, there is a possibility that Dulang crude will be sold under long-term contract.

"So far, we have not sold Dulang under long-term contract, because we want to identify the popularity of this type of crude on the open market just as we did with sales of the Tapis, Labuan, Mir, and Bintulu types.

"As an example, there are several refining companies that want Miri crude oil because they have adjusted their refineries to the characteristics of that type of crude," he said.

He said this to reporters today after being visited by Paramount Ruler Sultan Azlan Shah at PETRONAS Headquarters at the Dayabumi Complex here.

Malaysia now produces 650,000 barrels of crude oil per day, which is sold under the names Tapis, Labuan, Miri, Bintulu, and Dulang.

Of these types, Tapis is the "best" crude oil, while Dulang is the newest. Sales of Dulang were initiated by Prime Minister Datuk Seri Dr. Mahathir Mohamad at Kertih, Terengganu, on 22 April.

When asked about new oil wells, Tan Sri Azizan said PETRONAS expects to make two more discoveries this year.

He added that the wells are in the Kinabalu oil field, located off the shore of Sarawak and at Larut, off the shore of Terengganu.

He said that the two new oil fields are still being developed and that PETRONAS cannot yet guarantee that gas and oil deposits will permit commercial production.

When asked about construction of the PETRONAS refinery at Tangga Batu, Malacca, Tan Sri Azizan said it is now about 70 percent complete.

He said tenders for marine facilities construction will be made next month.

The paramount ruler was welcomed to PETRONAS Headquarters by PETRONAS Chairman Tan Sri Haji Basir Ismail, PETRONAS President Tan Sri Azizan Zainul Abidin, and other senior officials of the organization.

During his 90-minute visit, the paramount ruler was briefed by Tan Sri Azizan on the organization's operations and plans for the future.

#### **Analysis of '2020 Plan' for National Development**

91SE0285A Kuala Lumpur BERITA HARIAN  
in Malay 22 May 91 p 10

[Article by Kamal Ahmad: "2020 Plan Needs Everyone's Participation"]

[Text] The 2020 Plan encompasses advanced thinking and planning, but its implementation and achievements will depend on, among other things, the strength of human resources. Besides depending on the quality and strength of these human resources, the plan's success will also require help from political stability, wisdom in the use of natural resources, and a high level of specialized education.

The 70-million population goal, as presented in 1984 by Prime Minister Datuk Seri Dr. Mahathir Mohamad in the National Population Policy, has a connection with the 2020 Plan, which calls for Malaysia's inclusion as a newly industrialized country (NIC).

Population development needs very careful planning. Preparation does not consist merely of providing infrastructure, but has a close connection with economic, social, and spiritual (i.e., attitudes) development. Failure to balance population development with economic development will ultimately put a burden on the country. Similarly, if economic development is not accompanied by human development, the country will not be able to advance.

Malaysia is expected to have a population of 37.4 million by the year 2020 and 70 million by 2045. With their current numbers and skills, our people, who totaled 18.01 million in 1990, bear a big responsibility for bringing about the success of the 2020 Plan in the next 29 years by making Malaysia an advanced country founded on industry.

What is this country's society like however? What about individual worth, education, experience, and character?

The 2020 Plan does not force anyone to do his duty with sweat and toil, but it asks the people to open their eyes to the love of country and to faithfulness and pride as Malaysians. Motivated by such feelings, the people are to work hard to raise the status of the country to one of equality with the world's advanced countries. We should be like the Japanese, Germans, and Koreans, who arose after experiencing destruction.

The 2020 Plan faces certain obstacles however. These arise both from public attitudes and outside pressures aimed at crippling national economic and political stability.

Considering the pattern of thinking, attitudes, and culture of some members of our society, there will be some interference with the speedy success of the 2020 Plan. For example, most of our young people drop out of school and spend their time having fun. A lifestyle "a la rock" chains them to a philosophy of "enjoyment." An attitude of merely sitting on the sidelines continues to govern this group.

Although young people are the country's main driving force, some have been devoured by illegal drugs. The country will suffer the loss of strength if this addiction continues to rage. Addiction also keeps many young people from obtaining skills and education. The figures showing that there are a million users of alcohol and more than 200,000 alcoholics also surprises us.

These two addictions weaken the quality and energy of employee work and thinking. Such workers are unlike the experienced manpower needed to achieve the 2020 Plan's goals. Employers and the government suffer big losses because addicted workers are not productive.

The many opportunities and subsidies poured into young people bring no returns. On the contrary, these young people use up project funds or sell subsidies to finance conspicuous lifestyles.

It is appropriate for the National Youth Policy to be reconsidered in order to minimize subsidies and funds. The Master Program for National Youth (PIBN), is said, however, to have a separate method for creating businessmen out of young people without emphasis on subsidies.

Many students, too, have no initiative and perseverance and merely choose white-collar jobs. [as published] They have no interest in getting work that is compatible with their diplomas. They avoid putting their commercial and professional knowledge to use.

This is not slander or a new story. Many people have had problems in trying to change such attitudes and outlook. What the 2020 Plan needs is a change in the whole group, even if it means that the young people will sweep up trash!

Deputy Prime Minister Ghafar Baba recently said that the government has identified 12,600 villages throughout the country that are to be made growth centers. Of these, 644 centers will be created under the Sixth Malaysia Plan (RM6) and will be supplied with physical fitness, industrial, and agricultural facilities.

This project is also a part of the 2020 Plan, which has the goal of distributing development to all corners of the country and attracting the participation of rural society in building an advanced country.

It is hoped that projects like this will eliminate the rural attitude of "satisfaction with things as they are." It is also hoped that the official or leader appointed to head each center will be able to teach 2020 Plan goals to the local community.

The 2020 Plan is also hindered by the dissemination of passive culture through newspapers, magazines, television, and other media.

The political ideologies and kinds of leadership of certain parties may also be looked on as hindrances to the 2020 Plan. The posture of the PAS [Pan-Malaysian Islamic Party] government in Kelantan, which has interfered with or stopped much of the federal government machinery, is very frustrating. The reluctance of the Kelantan Government to approve a site for a youth education and training center has hurt the training of skilled workers in the state.

Meanwhile, the actions of some people in Sabah, who are whipping up anti-Kuala Lumpur feelings, may threaten the 2020 Plan. Anti-Kuala Lumpur incitement and slander may create an unstable domestic and political situation.

Such attitudes by political leaders may at the same time weaken economic growth and foreign investment in the two states.

The DAP [Democratic Action Party], as well, often manipulates sensitive issues that have racist overtones, which, if we are not careful may spark enmity and turmoil in this country.

Similarly, Spirit of '46 leaders try constantly to poison the thinking of Malays and mislead them through anti-UMNO [United Malays National Organization] issues. Such dissension and unstable conditions in society can hurt the way that Malays focus on economic development. They will waste their time thinking about these things and in planning useless strategies.

The party leaders should be sensitive to their role as the opposition and should not destroy the development that has been achieved. They have a responsibility to spur society on in the direction called for in the 2020 Plan.

Even among government leaders, the enjoyment of politics within the party may be a hindrance to the 2020 Plan. They spend much time on campaigns and on drafting strategies for promoting themselves.

The 2020 Plan faces tremendous challenges from diplomatic and foreign trade pressures. An example is the displeasure of some countries with the proposed East Asia Economic Group (EAEG). The objective of their opposition may be to prevent Malaysia from achieving NIC status.

Malaysia remains in the forefront and is always being tested by the dissemination of various kinds of publications, announcements, and reports that malign this country. If foreign investors believe such subversive propaganda, foreign investments in this country will be hurt indirectly, and this may hurt the 2020 Plan.

The National Population and Development Board (LPP-KN) has a responsibility for improving society and raising the worth of the people. The board is now deeply involved in creating the kind of society called for by Prime Minister Datuk Seri Dr. Mahathir Mohamad, who said, "A country's most important resources are the aptitudes, skills, creativity, and seriousness of its people."

The 2020 Plan may be considered a planned revolution for drastically changing our economic, social, mental, and philosophical image. With an orientation toward every level of education, administration, and leadership, this concept requires the support of people who are willing to change their attitude to a sincere desire to move ahead.

#### Labuan Development Plans Described

91SE0289A Kuala Lumpur UTUSAN MALAYSIA  
in Malay 21 May 91 pp 1, 2

[Text] Labuan, 20 May (BERNAMA)—An allocation of 412 million ringgit for improving Labuan's infrastructural

facilities over the next several years reflects the federal government's seriousness in making the island a fully tax-free region.

When Minister of Finance Datuk Seri Anwar Ibrahim announced this today during his 1-day visit to Labuan, he said that as part of the government's plan for ensuring the island's success, his ministry has formed a special task force headed by former Minister of Finance Datuk Paduka Daim Zainuddin.

He said the first objective of the task force is to evaluate existing facilities and private sector involvement in developing the island and to study the possibility of setting up a development board to oversee construction on the island.

He said that ministry officials will study the task force's recommendations before presenting them to the cabinet.

The minister also said that Datuk Paduka Daim will give special attention to the private sector's contribution to developing the island.

He said the island's administrative director, Abdul Rahman Haji Ali, and representatives of the Prime Minister's Department, the Treasury, and the Central Bank will assist the task force.

Among the projects to be developed immediately are an airport terminal worth 159 million ringgit, a hospital with specialized services, an aviary, and 400 housing units for employees of the government, a finance center, and a new trade center.

The aviary, which is to be located on Labuan's Papan Island is expected to be a main attraction for tourists and will have chalets, a deer park, a village, and a swimming pool.

The proposed financial center will be developed on a 12-hectare site facing the mouth of Labuan Harbor and will be reached by a new coastal road.

It will have offshore banks as well as shops, a recreation center, an international school, and an exclusive apartment house.

Datuk Seri Anwar also announced that the annual 20,000-ringgit tax on offshore companies will be abolished entirely as an additional incentive for foreign companies interested in establishing offshore accounts at Labuan.

He also announced that he will head a delegation to Hong Kong on Friday to introduce Labuan's tax-free facilities.

The minister urged successful Malaysian companies to support the government's efforts to develop Labuan.

Although Labuan became an international offshore finance center only 6 months ago, three offshore banks and eight trust companies are already operating here, he said.

"This is an encouraging development," he added.

During his visit, Datuk Seri Anwar also toured several construction sites and held private meetings with Central Bank officials, representatives of offshore banks, and members of the trade council.

Datuk Seri Anwar, who was making his first visit to the island as finance minister, was accompanied by Datuk Paduka Daim Zainuddin.

### **Labuan Investment Tax Abolished**

*91SE0285B Kuala Lumpur BERITA HARIAN  
in Malay 21 May 91 p 10*

[Text] Labuan, 20 May—The federal government has agreed to abolish completely the 20,000-ringgit minimum tax on companies investing in Labuan as one of the incentives allowed through the International Offshore Financial Center (IOFC).

Minister of Finance Datuk Seri Anwar Ibrahim said he is abolishing the tax after receiving appeals from a number of companies and investors interested in investing capital here.

"Several administrative costs will continue to be imposed on investors, however," he said at a luncheon today at the Yacht Club here.

He hopes the step will stimulate local and foreign investment on Labuan Island, while at the same time improving the economy of the entire country.

When asked later to explain the minimum tax, Datuk Seri Anwar said it is imposed on any company beginning operations here.

"The minimum tax is a payment to the Department of Inland Revenue (JHDN) in the form of license and registration fees but is not considered a true tax," he said.

He said that the central government is satisfied with the progress of the IOFC and that three trading banks and eight trust companies are developing their operations here.

Nevertheless, he said, several efforts to increase investment will be continued in a more coordinated way.

He said he will attend a seminar in Hong Kong on Friday to promote Labuan as an IOFC and to attract more foreign investors.

"In the seminar, Central Bank officers will give information to foreign investors on the prospects of investment and development in Labuan," he said.

Datuk Seri Anwar also said that several foreign banks, trust companies, and insurance firms show interest in operating on Labuan Island.

Therefore, everyone involved should support the program and help to assure that its implementation is expedited.

"To better convince foreign investors, companies accustomed to the Malaysian climate and situation should show strong support. I myself will observe whether or not those companies demonstrate support and are willing to cooperate," he said.

He is confident that if everyone contributes his efforts and cooperates, the benefits will be felt, and the national economy will keep on growing.

Datuk Seri Anwar left for Miri in the afternoon.

While in Labuan, he toured several projects now under way, including a hospital and a market.

Former Finance Minister Datuk Paduka Daim accompanied Datuk Seri Anwar.

## POLITICAL

### Third National Congress on People's Councils Held

912E0177A Hanoi DAI DOAN KET in Vietnamese  
2-9 Apr 91 p 3

[Article by Ngo Cuong]

[Text] The 3d National Congress on People's Councils was held in Hanoi during the period 18-20 March 1991. Almost 40 people's council chairmen, vice chairmen, and secretaries from many provinces, cities, wards, districts, towns, villages, and subwards attended the congress. The representatives listened to and discussed the report by the Council of State on the activities of the people's councils of various echelons over the past year in implementing the new laws and regulations. The congress reserved most of the time for the airing of opinions and for discussion on problems in the organization and activities of agencies, and of the people in the localities.

The representatives agreed with the observation of the Council of Ministers: During the past year, the people's organizations from the provinces to the subwards and villages have made notable changes. They have reduced formalism and now have more real power. It is proper and essential to promulgate new laws and regulations and establish standing elements of the people's councils at the provincial, district, and equivalent echelons. Along with the unanimous agreement on the general evaluation, made in an atmosphere of working effectively and "giving arguments," many representatives frankly mentioned the problems that are limiting the results of the activities of the people's organizations. One of the limitations is that although the party's leadership has been renovated, this has not been put into law.

Party committee echelons in many places have not paid any attention to the people's councils. The people's committees and people's councils still share offices and seals. The very small operating budgets of the people's councils are also used by the people's committees. In handling complaints filed by citizens, the only role of the people's councils is to make reports and proposals. They do not have the authority to make decisions as do the committees or other administrative organizations. Thus, most people tend to slight and not trust the people's councils. A number of articles in the laws and regulations are repetitive and unclear, and are difficult to use in actual practice. In particular, articles 45 and 47 of the Law on Organizing People's Councils and People's Committees must be revised and supplemented in accordance with reality. As for the activities of the people's councils of various echelons, people tend to disregard the role of the secretary, saying that his only function is to help the chairman or standing committee of the people's council. Thus, the secretary should be made a member of the standing committee so that he can work more effectively. Many representatives said that the chairmen of the people's councils must be full-time chairmen and that they should not hold concurrent positions. Because if they do, that is

like "kicking the ball and blowing the whistle at the same time." Actually, in many cases, after an election, the deputy secretary or vice chairman of a people's council serves as chairman, because the chairman is too busy or he slighted his job and only performs functions of a "left hand" nature, or for the sake of form only.

Some people said that the standing committees of the people's councils do not have sufficient powers. But others said that because there are many difficulties and because the cadres are weak, the people's councils have not made full use of their powers. In some places, there is a lack of "submissiveness," but in others there is too much. In many places, the cadres have not received professional training. Because of this, they are confused in their work. A rather widespread phenomenon is that if the relationships among party cadres, authorities, and front and mass organizations are good, the people's council there will operate effectively. But if there is a lack of mutual respect and sympathy and "family feeling," the activities of the people's council there will encounter difficulties and achieve very little. Many representatives said that the chairmen of the council committees must work full time if they are to carry out their staff duties. The councils should hold two sessions a year, because if they hold four sessions, it will take a lot of time to prepare the reports. (However, many representatives disagreed with this, saying that the councils must hold four sessions if they are to handle all the issues in a timely manner. The problem is knowing how to do things.) This congress held very active discussions on district, village, and subward people's councils. The district is the middle echelon, and the village-subward echelon is the primary echelon. As for how to reduce the size of and renovate the political system, the district and subward echelons can be abolished, but the village echelon cannot be abolished. The rural villages in our country have many people. They are the "pocket" for holding and implementing the positions and policies of higher echelons and so they are always the important primary level unit. Some representatives said that village-level people's council chairmen should be elected (just as at the provincial and district levels).

The representatives also discussed a number of other issues such as the need to clearly distinguish between the functions and tasks of the administrative organizations and people's organizations, the need to formulate regulations in order to avoid having people "encroach on another's territory," the need to provide information and data and provide people with knowledge and experience, and, in particular, the need to increase the expense accounts for people's council representatives.

Many representatives wanted to discuss other problems that had been mentioned, but because time was limited, the congress concluded on a note of unanimity. If representatives have ideas, they can send them to the Council of State for study.

### Criticism of Anti-Marxist Western Arguments Urged

912E0179A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 23 Apr 91 pp 1, 2

[Article by P.V. (Reporter): "Legitimate Voices Need To Be Brought to a Public Forum; Wrong Arguments Criticized in Time"]

[Text] *Editor's note: The reactionary and enemy forces of late have continually spread deceitful and wrong arguments to attack the Marxist-Leninist doctrine and socialist objectives and deny the CPV's [Communist Party of Vietnam] leading role and the Vietnamese people's revolutionary achievements. An extremely necessary thing we now need to do is to point out in a timely way the wrong and reactionary points in such enemy propaganda and affirm in a serious and scientific manner the values of the Marxist-Leninist theoretical system and socialist revolutionary realities in our country. In a discussion organized by SAIGON GIAI PHONG on 5 April many researchers, professors, and theoretical information and social scientists, namely Ha Xuan Truong (editor in chief, TAP CHI CONG SAN), Duong Dinh Thao (chief, Department of Propaganda and Training of the Municipal CPV Committee), Dao Hoang Thuy (director, Municipal Political Education Center), Professor Mac Duong (director, Institute of Social Science), Professor Tran Thanh Dam, Ngo Le Dan (NHAN DAN staff writer), Nguyen Son and Le Dinh Luong (deputy chiefs, Department of Propaganda and Training of the Municipal CPV Committee), and Nguyen Van Son (deputy director, Municipal Education Center), expressed their opinions on this issue.*

A concern the participants clearly mentioned was that in the last two years, particularly after the socialist countries in Eastern Europe had undergone complex events and our country had gone through great socioeconomic difficulties, radio and information from Western countries disseminated more and more deceitful and reactionary arguments aimed at our country. Distorting history, undermining Marxism-Leninism, and attacking and slandering the CPV and the people's administration of our country, the enemy forces have been attempting to agitate in hopes of destroying social stability and therefrom calling for an abolition of the socialist objectives and leading role of the party. The enemy has also done his best to look for every difficulty we might have and the opinions expressed by the people and cadres in their daily lives, and use them in the most profitable way possible for propaganda purposes. We must affirm socialism by means of scientific arguments, revolutionary realities, and our party's new thinking. First of all, according to Ha Xuan Truong, the values of socialism have been affirmed. Marxist-Leninist doctrine has existed for centuries with the great victories of the working class and communist movement. Although socialism at present is far from perfect, socialist factors have been formed in reality. Although socialist ideals have not yet been totally carried out under actual circumstances, with difficulties and even crises occurring at certain times and in certain localities, the historical process has shown that socialism would be the eventual course of mankind's development. These are the four issues that

need to be successively commented on and explained: Why we need socialism, the existence and scientific character of the Marxist-Leninist doctrine, the position and role of the CPV, and the methods to form a correct perception of socialism. Speaking about national and socialist issues, Duong Dinh Thao cited historical events and the realities of the country's revolutionary struggle and clearly drew attention to the following permanent and precious traditional values of our nation: patriotism, national independence, solidarity, harmony in the struggle for national defense and development, and the people's profound confidence in the CPV expressed in the most difficult and challenging times. These are the very basic factors, which nobody can tarnish, in the entire struggle of a nation for defending and building the country and moving it toward socialism. We comment on, explain, and perceive the basic issues that have been raised, not by setting forth simple and dull reasons, of course, but by using the party's current new thinking. Dao Hoang Thuy mentioned room for this thinking, in which the perception of socialism is also examined in terms of its ability to absorb the new peaks and achievements of man's mind and to expand both the forms and goals of the working class. At the same time, we will not hesitate to clearly mention the difficulties and even crises in our socialist construction. We are doing our best to overcome the weaknesses, particularly in our efforts to satisfy the urgent needs of our people's material and spiritual lives.

Duong Dinh Thao admitted that our party and state still had weaknesses in their actual organizational and managerial work, but he pointed out that as we analyzed the problem, we should understand that it was something inevitable under the conditions of building a new society and a new managerial structure. On the other hand, the new socialist factors, in reality, have been formed and developed and there have been good examples in many of society's activities. Nguyen Van Son offered an opinion to show that we are understanding and applying the Marxist-Leninist doctrine in not so rigid a manner and, on the other hand, developing it under today's conditions so as to make the socialist objectives and ideals more lively, rich, and steady. Professor Mac Duong believed that by adopting the method of scientific and total analysis and interpretation of the social sciences, we would on the one hand expose the arguments that distort history and the thoughts that detest the Marxist-Leninist doctrine of class struggle to the point of denying socialism and our people's and party's revolutionary realities, and on the other hand confirm the values of socialism and the inevitable direction the country will take to achieve national development. The nation's other cultural values must also be evaluated in this same correct manner. Professor Tran Thanh Dam noted that even in difficult and critical times, not all the fine values of socialism were belittled. We have had a direction to take to consolidate and heighten these values. The strength, inner values, and achievements of our nation in the task of building socialism have been recognized and praised by other countries and peoples. The opinions expressed in the discussion indicated that with the party's new thinking, we should on the one hand point out the

enemy's reactionary propaganda and on the other, clearly talk about and thoroughly explain all the questions that have been raised among the people and within the party regarding the Marxist ideology and socialist objectives that we have been persistently carrying out. **The wrong arguments must be firmly criticized and legitimate voices must be brought to the public forum.** On the basis of affirming Marxist-Leninist doctrine and socialist objectives, we must firmly criticize any wrong and reactionary arguments. Nguyen Van Son believes that on the ideological front, we must not allow the enemy to continue to launch brazen attacks on us. In addition, as Professor Mac Duong sees it, it is obvious that the enemy's arguments did not stop at criticizing the Marxist-Leninist doctrine but rather went as far as negating socialism and the CPV and instigating rebellion, with the goal of instigating social instability and undermining our people's revolutionary achievements. Ha Xuan Truong, Nguyen Van Son, Le Dinh Luong, and others believed that it would be necessary to criticize the enemy's wrong arguments from many directions, aspects, and angles, in many fields, forms, and in a continuous manner. Consequently, it is necessary to create favorable conditions for disseminating in public forums and through the mass media many legitimate opinions of workers, farmers, intellectuals, cadres, party members, and so on. It is also extremely necessary to strictly organize our theoretical and propaganda work in order to turn it into a sharper, stronger, and more timely weapon for struggle on this front. In the discussion, the editorial staff of SAIGON GIAI PHONG raised the issue of continuing to fight and criticize wrong and reactionary arguments that were most clearly expressed in materials disseminated by Western radio stations and publications in order to help readers agree with the party's correct views and carry out the renovation.

**Labor Union Official Discusses Labor Issues**  
**912E0181A Hanoi NHAN DAN in Vietnamese**  
**29 Apr 91 p 3**

[Article by Nguyen Van Tu, vice chairman, World Federation of Trade Unions, and chairman, Vietnam General Confederation of Labor: "Issues Now Being Raised in Regard to the Worker Movement in Vietnam"]

[Text] One hundred one years ago, on 1 May 1890, the first International Labor Day was organized in the world with the slogan, "Eight-hour workday." Many demonstrations, shows of force, and strikes by workers took place in a frenzied manner in France, the United States, Canada, Germany, Austria, Denmark, Belgium, Sweden, Romania, Holland, and Italy.

Today, in the face of many fast and profound changes in the world, each and every one of us must firmly adopt the stand of the working class and dialectical materialistic thinking while considering and analyzing the characteristics of the worker movement. In the struggles of the international working class movement, there now appears new and positive characteristics having mainly to do with such objectives as maintaining the peace, stopping the

arms race, protecting the environment, fighting unemployment, and ensuring international economic security. The working class in all countries still eagerly wants to build a society in which there is no exploitation of man by man. Even the forum of the 12th World Federation of Trade Unions Congress, held in Moscow in November 1990, echoed these words, "Socialism is not dying! Only the stiff and bureaucratic centralistic model must be changed!"

In the country's renovation, the Vietnamese workers' movement always receives the party's leadership. The close relationships between the party and the working masses and worker movement have always been strengthened and consolidated. The working class is taking the lead in the renovation, in spite of the fact that it bears the heaviest social burden—hundreds of thousands of people have lost their jobs in various ways, but almost all of them are bearing it calmly, for they understand that it is a necessary and objective occurrence. In the efforts to improve the managerial mechanism, more than 30 percent of our enterprises, including the Hai Duong Ceramics Factory, Thong Nhat Electric Motors Factory, Thanh Tri Grain Processing Plant, VIFON Noodles Factory, Dong Phuong Textile Mill, and Ba Son Factory, have succeeded in surviving; making adjustments, developing themselves for, and gaining access to the market; attaining new means and patterns of dynamic and creative action, and overcoming difficulties; and ensuring both work and income for their workers. These realities help underscore the argument that the state-managed work force and working class are the leading forces of the socialist centrally-guided commodity economy. Being the country's builder and protector, the working class always has a good perspective of the political situation and socioeconomic life so as to have a correct attitude toward the issues that need to be resolved and cannot remain aloof but must actually join with the party and state in mobilizing the people for actively contributing to relieving the country from its difficulties. "Employment, daily life, democracy, and social justice," which are the urgent needs now and simultaneously the goals of the long-term struggle, are closely linked with political stability and socioeconomic development.

However, because of the country's difficulties and subjective shortcomings in party leadership and state management, these negative aspects have appeared in the procedures and policies applicable to the working class that we need to pay attention to:

The level of understanding of the historic mission of the class is not high enough. Signs of lack of class understanding is common. Many people remain indifferent toward current events and the domestic and international political situation and do not claim that they are proud of being part of the working class.

Pragmatism has appeared and spread among a small group of workers, particularly the young ones. They can do anything and do not mind violating morality and the law, provided that it brings about personal gain. In a segment of the worker population, class friendship has faded and is

replaced by the tendency to act "in cahoots" with one another. Money clouds comradeship and companionship in a rather large segment of the working class.

Workers have not yet paid sufficient attention to their vanguard role in the economic field, with labor productivity remaining low, quality of products being poor, and production costs rising. Quite a few workers have not yet become the masters in regard to various aspects of social life. Some of them still rely on others, remain passive, have a wait-and-see attitude, and are reluctant to study to improve their background and skills. The ownership right of workers is respected only formally because there is no suitable mechanism to ensure that workers become the real owners of their enterprises and production installations. Their ownership right, in reality, is seriously violated, particularly in regard to distribution of income of ownership of properties. This also is the reason behind the cases and incidents that reflect collective reaction and the failure to develop creative labor capabilities.

Organizational ability, sense of discipline, and industrial behavior are poor. Some workers are sloppy, careless, and fail to observe technical plans and labor safety principles. On the other hand, machinery and equipment are old, obsolete, and unsafe, with 24,000 accidents and about 290 deaths occurring annually. The lack of homogeneity among members of the working class as a result of the new mechanism is reflected in the division of income into different strata and brackets in various occupations and economic sectors. The differences in the levels of skills, income, and work conditions unavoidably lead to a lack of homogeneity in the workers' awareness and class perception.

The workers' movement is a yardstick that measures the understanding of social classes and revolutionary ideals, and the evidence based on realities that clearly attests to the historic mission of the class and the progressive force in society. For this reason the basic goal of the Vietnamese workers' movement today is to strive to establish the role of the working class and working people as the masters of society and clearly show their hard-core and vanguard role in the country's total renovation. The workers' movement must be the real motive force and legitimate backbone that attracts and encourages other active movements; motivates the processes of socioeconomic, scientific and technological, and industrial development; and contributes to successful implementation of the economic and political programs suggested by the party. The Vietnamese working class, Vietnamese workers' movement, and socialist ideals chosen by the party, Uncle Ho, and our people are one. Therefore, in the country's difficult situation today, the workers' movement must more steadily follow the established socialist goals under the CPV [Communist Party of Vietnam] leadership.

Consequently, a job that is both urgent and strategically significant in the long term is to develop the working class so that it is worthy of the new task and capable of satisfying the above-mentioned requirements.

As the working class's vanguard unit, the party must have set directions regarding its leadership, the development of the working class, and the organization of the workers' movement. It must always firmly uphold its stand and view on the working class and be loyal to the interests and ideals of workers while defining its positions and policies. Its decisions must to satisfy the daily needs of workers and working people and respond to the demands of the class and nation in regard to basic, long-term, and urgent issues that are being raised. Only by doing so can the party remain close to the lives of workers in its thoughts and resolutions, bring vitality to the workers' movement, and maintain close relationships between itself and the working masses. We need to emphasize that these relationships are the basis of the party's strong vitality and a factor that ensures its leadership, the healthy development of socialist democracy, and the country's renovation.

On the basis of resolutions to be approved at the Seventh Party Congress in its program and socioeconomic strategy, the party must clearly define the strategic goal of developing the working class in the time to come, at least through the 2000-2100 period. This represents the active quality in the party's leadership.

The workers' movement must primarily begin from the basic level. This is why all leadership activities of the party, state, and labor unions must be directed at the basic level, create favorable conditions for it, and attract people into the productive labor movement, education, and social activities.

In order to give more vitality to our workers' movement to do creative work and to be the masters of production installations and the masters of the country, we must immediately resolve a number of issues.

We must give jobs to workers and care about their material and spiritual lives. Management organs, along with trade unions, must find every means to make new goods, diversify products, organize secondary production, and start new services so as to create more jobs. At the same time, we must encourage working people to create jobs for themselves and their families. There must be rational policies to protect highly-skilled workers and science and technology cadres. In every production installation, we must properly carry out the mechanism aimed at ensuring the ownership right of workers. We must link emulation with various forms of product contracts, wages, and bonuses. We must encourage workers to observe discipline, improve their skills, achieve industrial upgrading, save materials and energy, and increase productivity and product quality.

We must respect and fully develop the role of trade union organizations in upgrading and in developing and training workers.

Being the major sociopolitical organization of workers under the leadership of the CPV, and being the representative and protector of workers' interests and ownership rights, trade unions must fully understand workers' feelings, aspirations, and lives, and address the party and state

with the workers' voice. Trade unions must pay special attention to the social and human aspects of production. They must suggest changes in irrational policies. To struggle for full implementation of policies is to struggle for solidarity and unification. At the same time, trade unions must also use propaganda and explanations to make workers fully understand the situation and the policies and solutions of the party and state, and make the masses agree to and support such policies and solutions, jointly strive to overcome difficulties, and maintain the political stability necessary to step up the renovation effort.

There must be synchronized and unified coordination of the workers' movement with current movements launched by other mass social organizations. The movement of each and every sector, stratum, and mass organization has its own characteristics aimed at encouraging the social, dynamic character of people and employing the strength and potential of every organization. Close coordination of the work of all these movements will create a great chorus, with the party serving as the conductor. The state, in addition to drafting positive socioeconomic plans to attract mass movements, needs to adopt early on positive policies on organizing and encouraging emulation. In the new mechanism, emulation remains a strong motivation and means of achieving high productivity and economic efficiency and a way to make production installations capable of gaining an advantageous position and trust in the marketplace. Past methods of commendation, rewarding, organizing emulation, evaluation, and control are no longer appropriate; therefore, there must be a total overhaul of these methods.

We must step up reforms in the wages system. Wages represent the cash value of labor and the motivation and lever behind production. We must closely link wages with production and enterprise efficiency of installations. We must firmly abolish state subsidies and special privileges and interests, and we absolutely want to move toward paying wages in cash. We must show concern about properly resolving other social issues for the working population. We must try on a regular basis to improve work conditions and firmly fight the irresponsibility that underestimates the need for protection of labor and the environment.

The workers' movement cannot, under any circumstances, separate itself from the political goals of class training and development, with the first task being building the party, the leadership nucleus, and vanguard unit of the working class. For this reason, the movement must select, train, and introduce to the party those cadres who have shown that they have virtues and talents making them capable of shouldering the country's affairs and protecting the interests of the class and the nation. We must increase the numbers of workers taking part in the party and state leadership machinery at all levels, from local to central.

In the face of the vacillation of the workers' movements in many countries in the world, the steady constancy of the Vietnamese workers' movement is a source of honor and

pride. Vietnamese workers and their movement must associate more closely with the international workers' movement. The capitalist clique is colluding and screaming while hoping to crush socialism and the world revolutionary movement. The working class is calmly recognizing the face of the enemy. The international workers' movement eventually will escape all restraints and score new gains.

This year, on May Day, the day of the international workers' and labor movement, as the Vietnamese working class looks at the world and itself, it feels more proud about its vanguard party and nation, and more responsible about its mission. In an atmosphere of democracy and renovation, and as it turns to the Seventh Party Congress, along with people throughout the country, it is contributing many honest and positive ideas to the documents of the congress and is doing a lot of realistic and effective work to welcome the nation's great festival. The revolutionary and scientific faith in the party's leadership is a flame that warms the productive labor movement and social activities of our working class.

## MILITARY

### Colonel Discusses Training of Reserve Officers

912E0185C Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Feb 91 pp 93-99

[Article by Col Bui Nhat Man]

[Text] Since 1978, reserve officer training has been expanded throughout the country both within and outside the military.

A system for providing professional guidance and implementing reserve officer training has been set up from the ministry to the basic level in the military, and in civilian sectors and colleges. Reserve officer training has been put on the right track and has begun to operate effectively. The results of this training have satisfied some of the requirements, such as numbers of cadres and cadres in military occupations needed for organizing mobilized reserve units. A large number of reserve officers trained in college have been mobilized for active duty in accordance with the law. This has allowed us to satisfy the need for technical and professional cadres in the regular units in peacetime, because military academies cannot supply the needed cadres in terms of the numbers needed and the technical and military specialities needed. Almost all of the engineers, doctors, and high-level pharmacists recently called to active duty have performed the tasks well, including combat support and combat tasks on the battlefields, and have fulfilled their international obligations.

Aside from these results, there are also various problems that must be solved in the coming period, with efforts focused on the following main aspects:

The quality of the reserve officer training has been poor. A clear manifestation of this is that the cadres do not have the ability to command, manage, and train the detachments. After they complete their training, many of the

students cannot perform the initial tasks assigned them. Although training targets have been set, they are not in line with the requirements and tasks. The training programs, content, and methods have not been improved or upgraded, and they are not in accord with the capabilities and conditions of the localities, schools, and training units.

The training plans are not in close accord with military specialization needs or plans for mobilizing people by area. As a result, there is a shortage in some places and a surplus in others, and there may even be a shortage and a surplus in the same place (with respect to military occupations when organizing mobilized reserve units). For example, in one district in Ha Son Binh Province, when a reserve artillery battalion was organized, there were only three artillery cadres. The other cadres had other military specialties. At the same time, there were enough reserve officers in the district to organize many mobilized reserve battalions.

The measures for organizing annual training for reserve officers (as stipulated) are not in accord with the economic and social situation or the material bases of the country and the localities. In the past, the legal documents of the state and sectors exerted an influence in order to maintain the reserve officer training, but recently, because of the changes in and overhaul of the economic and social management mechanisms (particularly since the implementation of resolutions 10 and 217), a number of things that are no longer appropriate have caused difficulties for organizing and carrying out this task. In general, the conditions for providing a material base and budget funds for reserve officer training are still weak. They do not match the requirements for improving quality and results. Besides this, the standards of the instructors and training management cadres at a number of units, schools, and, in particular, local military schools in the provinces and cities and of the military courses at a number of colleges do not match the tasks.

Because of the above situation, we would like to present a number of ideas on improving the quality and results of reserve officer training in the coming period.

#### 1. Maintain the goals and position of building mobilized reserve forces in general and of training reserve officers in particular in the present situation.

Above all, the various echelons and sectors both inside and outside the military must be made to see the strategic importance of this work in developing and defending the fatherland. Each person must be made to see that building and solidifying the reserve forces, in which the activists are the ranks of reserve officers, is a very important basic theme of the party in building armed forces in the new revolutionary stage.

Through research, almost all of the countries in the world, regardless of their political orientation, are giving much attention to building reserve forces that can be mobilized in wartime. Statistics show that in peacetime, even the economically developed countries maintain a regular army smaller than 0.5 percent of the total population. The

number of troops on active duty is just enough to satisfy combat readiness and combat requirements during the initial days of a war. Winning the war depends on the ability to mobilize reserve forces that have been carefully prepared, that are tightly controlled, and that have undergone regular training in peacetime.

Building mobilized reserve forces in our country today is an objective requirement that reflects the regulatory nature of building a peacetime army. At the same time, this has great economic and social significance at a time when the entire country is concentrating on economic construction and development. This should not be viewed as the separate task of the Ministry of Defense or the army. This is the responsibility of all sectors and echelons and of all the people. The state must legalize this responsibility by implementing regulations on obligations, responsibilities, and specific policies with the force of law. It must be realized that building strong reserve forces is a concrete manifestation of a spirit of vigilance and combat readiness to defend the fatherland. In this, building and training a rank of reserve officers is a very basic problem.

Thus, the ranks of reserve officers must soon be delineated in a basic, systematic, unified, and synchronized way to satisfy pressing requirements and ensure that long-term tasks are carried out. From this, plans and measures must be formulated to develop and train the ranks of reserve officers in accordance with the special characteristics, requirements, and capabilities of each locality, and of the mobilized reserve units.

To overcome the situation in which there is a shortage of cadres and when things have not been synchronized as discussed above, this planning must start from the Ministry of Defense's requirements and tasks for organizing reserve forces. In the coming period, very specific tasks must be put forth for the military regions, corps, branches of service, services, provinces, and districts in organizing mobilized reserve forces. Based on the tasks assigned, the units and localities will balance the tasks and requirements with respect to the number and quality of the existing reserve officers in order to formulate a concrete plan on what military, political, and professional courses need to be taught and how many people need to be trained. Annual training plans must be formulated for reserve officers and to change the categories of reserve officers who have not been assigned proper military occupations in reserve units. We must pay attention to the special characteristics concerned and to this work. For example, the existing ranks of reserve officers are not balanced or synchronized, their numbers are small, quality is poor, and, in particular, there are few people with valuable military occupations in the branches of service and modern technical services in the mountain areas and southern provinces. In the next several years, a large number of officers on active duty will go on reserve status, and because of this, the size and quality of the ranks of reserve officers will increase. However, there will still be a shortage of reserve officers to command platoons and companies and of political, technical, and professional cadres for the mobilized reserve units. In the future, the number of officers on active duty will have

declined, and because of this, the sources for supplementing the ranks of reserve officers each year will decline. Besides this, the number of reserve officers will decline naturally (the rate is approximately 10 percent a year because when people complete their reserve period, they leave because of poor health, and so on).

Because of this, the plans must be made from the primary, district, and provincial levels on up to the military regions and ministry. Only in this way will the training of reserve officers reach the right "address." In order to organize the training, there must be a thorough understanding of what occupations are needed and how many are needed for each type. That is the only way to avoid having surpluses and shortages of reserve officers in a locality. When formulating plans, consideration must be given to output and input ratios and the factor of natural losses in order to take preventive measures and hit the training targets.

2. Reexamine the training objectives and targets and supplement the reserve officers in accord with the requirements for organizing reserve forces.

In the coming years, efforts must be concentrated on training reserve officers where there is a shortage of military occupations, particularly in the south, in mountainous and coastal areas, and on the islands.

We must continue to train reserve officers to command detachments. These can come from discharged noncommissioned officers. Plans similar to those that have been implemented in Military Region 5 and a number of localities and that have proven effective can be implemented. This refers to selecting reserve noncommissioned officers (who have returned to their locality) who have been assigned positions in reserve units and giving them 3 months of training at military administration schools. (After training, they will be commissioned as reserve second lieutenants.) Or reserve officers who have commanded infantry platoons can be given supplemental training so that they can command infantry and engineers units and engage in other military occupations needed by the localities. Although these two methods are expensive (because of having to provide support and more compensation), it is essential that we satisfy the need for more platoon cadres and train more people. (Training based on "address" is more effective.)

Training civilian college students to become reserve officers for technical sectors and occupations as has been done in the past is fine. The thing to note here is that full use must be made of almost all the technical and occupational knowledge that the students have gained in their training at college in order to support national defense. Carrying out this task well will have great economic and national defense significance, because this will reduce the training expenses of the students and military schools. At the same time, this is a positive measure for implementing the all-people's national defense line of the party. In the future, mobilizing college-educated reserve officers to provide support on active duty for the technical and professional sectors will have two advantages, namely, it will reduce the numbers of those training at the military

academies and schools, and there will be a large rank of reserve officers who have undergone actual training in the military during peacetime for "defense in wartime" (as mentioned in the national defense and security section of the resolution of the 6th Plenum of the CPV Central Committee). The institutes and schools of the Ministry of Defense will have to invest only in the training of a small number of professional career officers who have the credentials of excellent specialists. Because of this, the quality of the training will certainly be better than it is today.

In order to do this, we think that training should be conducted on a "broad scope," that is, based on an excellent knowledge of science and technology and on fields in which students have trained for 5 years (or 6 in the case of the medical sector). Reserve officer cadets should also be given essential training concerning military technology and "broad sector" technology and tactics. Then, when calling people to active duty, it will take each military unit only a very short time to teach them the techniques needed so that they can complete the specific tasks assigned them. For example, the Hanoi Polytechnic College has more than 30 technical training departments, of which 13 (40 percent) are in accord with the needs of the Ministry of Defense. If the target is to train reserve officers in missile and radar technology, all that is required is to select a few students from the machine manufacturing, electrical, and electronics departments. On the other hand, the Air Defense Branch needs reserve officers with other technical specialities that the branch is not equipped to teach directly (Examples are engineers and medical doctors who can provide treatment at the regimental level and perform rear service tasks. These are sectors that will be very important for expanding the air defense forces if war breaks out.) Reality in recent years has shown that the technical reserve officers who have been trained by the Air Defense Service at the Hanoi Polytechnic College and who have been called to active duty have served not only the service's sectors but also the entire army and entire nation, and they have performed international tasks. These people have completed the tasks well. Their strength is that they have received basic training and they are engineers.

Based on the above reality, we suggest that for civilian schools such as the Hanoi, Danang, and Ho Chi Minh City polytechnic colleges that have many departments that are in line with the national defense requirements, the reserve officer training targets should be expanded. These should not be restricted to just one or two targets as in the past. This should be done in order to expand the sources for training technical reserve officers for the Ministry of Defense and for the military in general.

In order to overcome the shortage of political cadres when forming mobilized reserve units, we propose the following plan: Officers on active duty who are preparing to go on reserve status should be selected. For detachment-level reserve officers with the ability to carry on party and political activities, training should be opened to turn them into reserve political cadres. They can then be assigned to serve as deputy company political officers (or political or propaganda and training assistants) in reserve units.

Over the long term, we must make use of the students at the propaganda and training schools and Communist Youth Union schools in order to train political reserve officers. In the past, that achieved good results.

Providing supplementary education for reserve officers based on an annual system is essential in order to improve the standards of these officers. This is also a good way to manage them closely and make timely use of them when they are mobilized.

The main targets who must be trained are reserve officers who have been assigned positions in mobilized reserve units and those called for in the mobilization plans (all of the reserves of a locality). Through training and evaluating capabilities and standards, the Ministry of Defense can give promotions as stipulated in Decree 153/HDBT. In the coming years, the number of reserve officers will certainly increase. Because of this, providing supplementary training will expand, too. At a time when budget funds are very limited, what can be done to ensure that reserve officers are able to attend annual training classes? This is a difficult problem that will require positive solutions. Based on the experiences of a number of other countries, normally, the training period must be shortened, and the rate of training sessions must be speeded up. At the same time, there must be many mutually supportive measures for organizing training. Specifically, for Vietnam, we would like to propose the following:

The schedule for annual training should be shortened to 2 weeks (it is now 1 month).

Each year, reserve officers must attend one training session.

Supplementary training for reserve officers can be organized at the mobilized reserve units or at the local provincial military academy. The provinces can arrange for cadres and instructors to hold training in the districts. Arrangements can be made for the reserve officers to hold maneuvers and train as a unit in order to improve their organizational and command standards. The goals and requirements stipulated for each training session must be practical, with the aim being to train the cadres so that they can complete their tasks.

Reserve officials with rare military specialities (such as missile, radar, armor, self-propelled artillery, and so on) must be trained at the units and schools of the branches of service and services. In such cases, there must be close coordination from the ministry on down to the military regions and localities.

Besides this, training can also be organized for cadres in the form of seminars (on such things as advances in weapons and equipment, changes in tactics, military science and technology, combat command, weapons firing instruction, local military work, and so on). "Drill" type training does not need to last for more than a week. Only if the various forms of training are coordinated will it be possible to satisfy the requirement of "turning civilians into soldiers" in accordance with our economic and social

conditions and the national defense budgets in the localities, which are now very small and which will continue to be small in the coming years.

3. A number of positions, policies, and regulations must soon be revised in order to maintain reserve officer training.

Reserve officer training is related to many echelons and sectors both in and outside the military and to the families of the reserve officers, and because of this it has a profound social nature.

While we cannot slight propaganda and education so that people thoroughly understand the position and significance of building reserve forces in developing and defending the fatherland, studying and revising the positions, policies, and regulations to maintain reserve officer training is also very important. Inappropriate policies will hamper development. Conversely, appropriate regulations and policies will provide motivation and create good motivation. When the economy and society are changing because of the improvement of economic management, improving the positions and policies regarding reserve officer training is an objective and pressing requirement. I would like to make several concrete proposals:

The Ministry of Education should revise the regulations to ensure fairness and encourage reserve officer cadets (who are college students). For example, after completing reserve officer training in accordance with the planned norms of the Ministry of Defense, students will be given a 3-month scholarship. And there should be other measures for students who do not take reserve officer training. On the other hand, priority should be given to these people when assigning jobs after graduation.

The Council of Ministers should revise Article 13 of Decree 153/HDBT issued 8 September 1982 on the period of active duty of reserve officers so that this is equal to the time served by students after graduating from college. (Today, college graduates must serve in the military for 2 years, and reserve officers called to active duty must serve 3 years.)

The mobilization of reserve officers must be made more orderly and stabilized. Thus, reserve officers should be mobilized only after they have become settled in their work places. They should not be mobilized right after they graduate from college and before they have been assigned jobs. Mobilizing people right out of college will give rise to a feeling of unease and expectation. On the other hand, after they have completed their period of active duty, it will be very difficult for the Ministry of Defense to provide jobs, and it will be difficult for these men to find work.

I would also like to suggest that the Ministry of Defense regularly promote reserve officers in accordance with the rules for reserve officers who have achieved good results during the training or maneuvers with mobilized reserve units.

In conditions in which the families of reserve officers are encountering economic difficulties, it is essential to provide economic incentives to the officers when they participate in training sessions and drills with their units. Besides having organizations at which they work continue paying them wages and other benefits, there should be specific compensation. If this material compensation must rely on the national defense fund of the central echelon, the situation will be very tight. Based on the experiences in the Red River Delta (such as in Ha Nam Ninh Province) and Military Region 7 (such as in Ho Chi Minh City), most of the funds have come from the national defense funds of the districts and provinces. The experiences of the provinces that have done a good job in carrying on this work show that even though the material incentives may be small, they are of great political significance and provide strong motivation for the reserve officers and their families. It should be understood that regardless of the material compensation given, it cannot compensate for the contributions and sacrifices made by the military officers who are serving in the reserves, because they must always be ready to serve on active duty when called.

**Strategic View of Army's Economic Tasks Urged**  
*912E0191 Hanoi QUAN DOI NHAN DAN THU BAY*  
*in Vietnamese 20 Apr 91 p 2*

[Article by Dang Huong, Truong Son Construction General Corporation: "Army Performing Economic Tasks Must Be Viewed Strategically"]

[Text] Today, more than 15 years after the fatherland was reunified, as we look at the map of the country, our army cannot help feeling proud of the marks seen all over the countryside as the result of the achievements made by its labor. The 1,000-kilometer Dong Truong Son road, though not yet complete, has already contributed to the economic activities of many provinces from Nghe Tinh to Gia Lai-Cong Tum and Dac Lac. Route 279, more than 900 kilometers long, cuts across the endless northern mountains and forests, from Quang Ninh to Son La and Lai Chau. Although it has been reopened step by step, many sections are now being used after being upgraded. Hundreds of kilometers of other roads in dangerous forest and mountainous areas or in difficult terrain, such as the islands-wide Haiphong-Cat Ba road, have been either opened or restored. In addition to the roads, railroad lines, such as Mai Pha-Na Duong, Chi Linh-Pha Lai, Quan Trieu-Nui Hong, Cao Son-Mong Duong, Lao Cai apatite mines, and Minh Cam-Tien An on the main Thong Nhat railroad, have been built by our troops either completely, with both foundations and roads, or partially, with parts of foundations, bridges, and locks. Our army has also been taking part in the key state construction projects, such as the Pha Lai power plant, the Hoa Binh hydroelectric power project, the Dray Hlinh hydroelectric power plant in Dac

Lac, the Quy Hop tin mine, and so on. The dedicated work of Corps 15 (the Central Vietnam General Corporation) with rubber forests in the three-border region has further affirmed the view on economic activities combined with national defense matters, and vice versa. In the South China Sea, our naval units have been guarding our fatherland's waters while catching and processing sea products.

The army soldiers who do economic work are fully aware that their labor, including both sweat and blood, has been expended not in vain, not like river water flowing into and getting lost in the South China Sea, but has born fruit and has left in the heart of the people the fine image of Uncle Ho's troops, who not only fight well but also effectively take part in national construction. To do economic work naturally means to obey economic laws, to calculate losses and profit, to calculate correctly and fully, and to safeguard and increase the capital in hand. The realities of the last several years in the Truong Son Construction General Corporation (Corps 12), as well as in a number of other units like Corporation 319 (Military Region 3) and Corporation 11 (Rear Services General Department), have shown that the army has the capabilities and level of organization and of production management to allow it to adopt appropriate production models and tasks and at the same time do profit-and-loss accounting and ensure efficiency. If they know how to do business, units can accumulate capital, gradually renew and supplement their equipment and machinery, and develop highly-skilled technical personnel, i.e., keep and further increase their capital.

Even today there are still people who, we are sorry to say, fail to understand why the army does economic work because they have a prejudice that the army's engagement in economic work is like doing state-subsidized work, and thus cannot submit to profit-and-loss accounting. As the result of this view, they fail to see the position and capability of the army in doing economic work within the framework of national construction both today and tomorrow. The advantage of army units in doing economic work, particularly those that do capital construction work, comes from the fact that they have good traditions in organization and discipline, a high degree of mobility, and a willingness to go to places where difficulties, hardship, and danger exist. Army units that do economic work can always contribute to maintaining security in their areas and, if necessary, carry out tasks assigned by the Ministry of National Defense. In order to make the army's economic work effective, we must first unanimously affirm a strategic, long-term, and steady view on the army's economic activities. On that basis, we must study and adopt an appropriate mechanism for the organization, leadership, and activities of army units doing professional economic work. At the same time, the state must have suitable policies to both encourage the army to do economic work and to reduce national defense spending, as well as to affirm the existence of these army forces.

**ECONOMIC****Australian Firm Seen as Model Investor**

*91SE0307A Bangkok BANGKOK POST in English  
7 Jun 91 p 18*

[Article by Sue Downie in Ho Chi Minh City]

[Text] West Australian firm Independent Seafoods has grown from a small barter trade in frozen seafoods into one of the most successful investors in Vietnam, with interests in shrimp farming, vegetable processing and abattoirs.

A relatively small husband-and-wife company with experience in Asia, Independent Seafoods was one of the first Western companies to set up in Vietnam and has since become a model for other investors.

The secret of its success comprises bartering, a hands-on approach and perseverance, according to the company's Vietnam manager, Peter Cappelluti.

After general manager Greg Poland visited Vietnam as part of an Austrade mission in 1985, he decided the war-torn communist country had potential and, as the government had little or no foreign currency, bartering was the answer.

He began with three factories—in Danang, Thuy An and Nha Trang—processing frozen fish for the Australian market.

"Most companies made the mistake of trying to sell their products here, but the Vietnamese couldn't afford to buy, so Mr Poland looked for products to exchange," a former employee said.

"They take out \$1 million of seafood, chillies, black pepper, tapioca or prawn crackers and supply the Vietnamese with \$1 million of goods such as cold-storage facilities, processing equipment and consumer items.

Impressed by the barter system, Vietnamese authorities and Austrade often refer to the Australian company as a model trader.

Australian staff worked alongside local processors in the fish factories, and this hands-on approach also earned respect from the Vietnamese.

"Mr Poland came to the factory and taught them how to fillet, prepare and pack the fish," the former staff member said. This lifted export quality and saved wastage.

"Vietnam didn't need to catch more fish, they just needed to better handle what they caught. In 1983, 80 percent of their fish for export was spoiled before it hit the beach; five years later, that was down to 65 percent."

Independent Seafoods has since diversified. "But if we changed our name, no one in Vietnam would recognise us," said Mr Cappelluti who has run the Vietnam operations for the past three years from an office in Ho Chi Minh City.

"We try to look for projects that suit the Vietnamese. There are many things they have and are able to export with help."

In January, the company signed a \$3.9-million deal for a fruit and vegetable processing centre near Ho Chi Minh City and the following week sealed a \$3.5-million contract for an abattoir in Haiphong.

**Project**

Negotiations are continuing for a \$4-million aquaculture project in Cuu Long Province and two more abattoirs, in Ho Chi Minh City and the Mekong delta.

"We started negotiating two years ago," Mr Cappelluti said. "It was a gamble because we were never sure of signing and we could have spent \$700,000 for nothing.

"We had to compete with European and Japanese companies, but we got it because our prices were good and we took the Vietnamese to Australia and showed them farms and factories and where the equipment would be built."

The fruit and vegetable processing centre, 30 km east of Ho Chi Minh City, will include a cold store, plus freezing and packing works.

"For fruits we can't export to Australia we are looking at Southeast Asian and European markets. Now that Lufthansa has direct flights to Europe, there is a good chance of air-freighting fresh produce," Mr Cappelluti said.

Equipment for the centre are being manufactured in Australia, much of it prefabricated.

"This is the first of its type in Vietnam—built to meet (the Australian) Department of Primary Industry's export standards," he said.

"We are also bringing in experts to teach farmers how to pick crops at the right time and how to grade crops for local and export markets. Technicians will show how to run computer-controlled cool rooms.

"Already established on the site is a fruit juice tetrapack operation, run by the Vietnamese, so fruit not suitable for export can go to the juice factory, and we will probably teach them how to do vegetables. We also have a contract to help them market."

Beef and pork will be processed at the Haiphong abattoirs to produce small goods for local and international consumption.

"Vietnam currently exports a lot to the Soviet Union, and we will look at the Asian market, especially Hong Kong and Singapore, and maybe Europe," he said.

Freshwater shrimp and fish will be grown in the planned aquaculture project which envisages a hatchery and nursery, capable of handling 100 million shrimp every six months.

Australian-supplied technicians and equipment will include a lab for testing water hardness and disease.

Still run by Mr Poland and his wife, the company now has offices in Singapore, Sydney, Perth, Ho Chi Minh City and, more recently, Hanoi.

"In the early days, we had Australian technicians here—now we have trained Vietnamese to replace them," Mr Cappelluti said.

"We bring over staff as we need them and currently we have five technicians on the fish side, an assistant in aquaculture and a draftsman for the abattoirs. We had an agricultural guy here for two years without a project, just studying the scene and looking for the right sites.

"Only two expats work here permanently. To run our Vietnam operations costs about \$450,000 a year, including air fares, wages and rent, which is reasonably high."

Part of Independent Seafoods' success had been patience "and just going for it," Mr Cappelluti said.

"We kept at them when lesser people would have given up. When you start counting the dollars you are spending, you could get worried, but we just kept going and in the end got the contracts—but there have been some tense moments.

"The important thing is we have an office here and we are on the ground floor. We mind our own business and don't get involved in any arguments. We go about our business in a quiet way, but we're aggressive."

#### Trade Delegation's Visit to Australia Reported

912E0189B Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 18 Mar 91 p 2

[VNA article: "Vietnam-Australia Economic and Trade Cooperation To Be Developing and Expanding—Two-Way Export-Import To Reach US\$100 Million in 1991—Australia To Issue Credit Guarantee for Goods Exported to Vietnam—Australia To Invest in Mining, Oil-Gas Exploration, Assembly of Small Trucks—Accord To Be Signed by Two Countries To Ensure Investment"]

[Text] By invitation from the Australian government, the Economic and Trade Delegation of the SRV government, headed by Trade Minister Hoang Minh Thang, chairman of the Vietnamese Section, visited and worked in Australia from 6 to 12 March 1991.

During the time it worked in Australia, the delegation attended the first meeting of the two countries' Intergovernmental Committee on Economic and Trade Cooperation. The meeting obtained good results:

- The two sides affirmed their desire to expand economic and trade cooperation and other bilateral relations and to boost two-way export-import activities in 1991 to US\$100 million.
- The Australian government continues to finance development projects through UN agencies and to issue credit guarantees for goods exported to Vietnam.
- The two sides discussed and determined the direction and fields of cooperation and investment in the sectors in

which Australia has the capability and Vietnam has the need, such as mining, oil and gas exploration, telecommunications, farm product processing (sugar cane, rubber, manioc, and so on for exporting purposes), assembly of small-size trucks, refrigeration equipment, tourism, training of specialized cadres, and management, mostly trade and market management.

- Representing the governments of the two countries, Minister Hoang Minh Thang and Trade Minister Blewett signed an accord on ensuring investment and agreed to jointly draft a number of other related accords by the end of this year.

- During their stay in Australia, our country's economic delegation held talks on economic and trade relations with Minister of Industry and Trade Senator John Button and Minister of Foreign Affairs Senator Evans, and also held working sessions with the ministers in charge of state development on economic and trade relations between Vietnam and the states concerned.

- The delegation also had broad contacts with Australia's business and banking circles and producers to introduce Vietnam's economic renovation policy and to answer concerns and worries that some investors might have regarding cooperation with Vietnam. The delegation also visited a number of factories which manufacture food processing equipment for Vietnam.

A number of members of the delegation who are export-import corporation directors made their own contacts with many Australians in the export-import business. The two sides began to know each other's export-import capabilities and needs. The Australian side can export to Vietnam various kinds of mining machinery and equipment, information and communications equipment, refrigeration industry equipment, processing equipment for sea and farm products, transportation vehicles, fertilizers, chemicals of many kinds, metals, wheat, wool, yarn, and so on.

Vietnam will export to Australia various sea products, rubber, ready-made clothes, leather shoes, coffee, pepper, and many other spices. A number of Vietnamese corporations have signed actual contracts and some orders for ready-to-wear clothes, shoes, tanned leather, and so on.

#### Problems in Importing, Exporting Reported

912E0186A Ho Chi Minh City TUOI TRE  
in Vietnamese 20 Apr 91 p 3

[Article by Kim Phi]

[Text] For a long time, import-export activities have been in a state of chaos with people buying and selling quotas and doing anything to make a profit. This has harmed the producers, legitimate businesses, and the national economy. The state must take steps to address this. This is something that everyone agrees with and that people have been hoping for for a long time. But the measures implemented in 1991 have exposed a number of shortcomings.

This has caused problems for production installations and has caused them to suffer losses without solving the above problems.

#### **Regulating and Collecting Fees**

In the past, the import-export units were managed by two procedures: business permits issued by the Ministry of Commerce, and quotas allocated by the state.

But since the beginning of 1991, import-export units in the country have had to bear the burden of many regulations. For example, they are required to have a certain percentage of capital corresponding to their registered export value, and the managerial cadres (directors) must have graduated from the Foreign Trade College. Besides these regulations, the units must register each import and export item. After each item has been registered, they must pay a fee of \$3,000-\$5,000 per item. In times of serious shortages of capital such as at present, having to pay import-export fees is a major challenge for the units. The fees that the 69 units that have been authorized to import and export goods must pay directly have risen to \$2.5 million (about 20 billion dong). Many of the units that lack capital have had to borrow money from the bank at an interest rate of 2.8 percent a month in order to pay these fees.

Besides this, the classification of goods is also very irrational, and this has caused difficulties for businessmen. For example, refrigerators and air conditioners, which are consumer goods, have been placed in the equipment sector (a production support sector). Those who export single items such as birds or fish are facing difficulties, because they must pay fees twice. The registration table does not have regulations for these types of items, but businessmen have accepted the fees based on the "decision" by higher echelons that birds and forest plants are under the jurisdiction of the forestry sector and that fish are under the control of the Ministry of Marine Products.

For just one type of item, producers need many types of raw materials. To import these, they must register with many different sectors and pay large amounts in fees. Take the sandals produced by the Binh Tien Cooperative, for example. Besides the rubber and chemicals, which are registered together, it must also register with the cloth sector in order to make cloth straps for the sandals.

As for exporting timber, logs and lumber have been placed in the same category, but floor boards and scrap lumber have been placed in another category.

#### **Quotas Must be Waited For**

After goods have been registered, the fees must be paid, but the person still cannot be sure that he will be able to export or import goods because he must wait for the state to give a quota.

An example is the import of electronic goods. By the end of the 1st quarter, the central echelon had authorized the city to import electronic goods worth only \$4 million. Divided

among ward, district, and municipal units that assemble electronic goods, the money earned was not enough to pay the fees!

Ho Chi Minh City is a locality that has many advantages in international commercial relationships. The city's 1990 export value accounted for 25 percent of the country's exports, but the city is usually "ignored" when quotas are allocated.

Last year, the city exported 450,000 tons of rice, but this year, it has been given an export quota of only 100,000 tons. Similarly, the central echelon has authorized it to export only 7,000 tons of coffee even though 21,000 tons were exported in 1990. The reason given is that the city does not produce anything itself but just buys things for resale, which disrupts the markets. For similar reasons, although the city has more than 30 timber processing plants, it has not been allocated any quotas, because it doesn't have any forests! At the same time, provinces with forests are proposing to export logs because they don't have any processing installations. As a result, localities and cities have continued to buy and sell quotas, which just wastes the money of the state so that they can form relationships and trade and "deal" with each other. One lumber export unit said that the corporations in Ho Chi Minh City have, using a variety of methods, exported almost all of Dong Nai's quota of 20,000 cubic meters of timber and a part of Dac Lac's quota. In the 1st quarter alone, they exported 7,000 tons of coffee, which was the entire quota.

Besides this, "small" quotas are allocated. This has made things difficult for many units, particularly agricultural producers, because exporters don't know how to operate in this "rich today, poor tomorrow" style. Ho Chi Minh City has welcomed hundreds of thousands of tourists but has authorized the import of only 2,000 bottles of foreign liquor. Difficulties are now being encountered because no country wants to sell such tiny quantities.

Besides restricting imports and exports by means of quotas, the Council of Ministers has "authorized" the State Planning Commission to set import-export amounts for goods not on the above list. Thus, today, if a unit wants to import or export goods not on the restricted list, it must wait for an allowed amount without knowing if that will be less than or greater than the norms.

#### **All Are Temporary Allocations**

Because goods not listed on the prohibited or restricted lists have to wait for authorized amounts, there are shortages on the markets and this has pushed up prices sharply. Take powdered milk, canned milk for children, and construction iron and steel, for example. The price of these goods skyrocketed at the end of the 1st quarter of 1991, because import amounts had not been approved. As for raw materials for the textile, plastics, paint, ready-to-wear clothing, clinker, and wheat flour sectors, only temporary amounts have been set for each phase, and these amounts are very small. Many importers are suffering losses from the delay in setting temporary amounts. For example,

when import plans were formulated, because of changes in the international market, polyester 75D thread had increased in price from \$3.2 to \$3.7 per kg. The price of black cement from China, South Korea, and Taiwan is rising, because those countries have limited exports.

The State Planning Commission has said that the reason for this tardiness is that it has had to wait for the ministries to balance the plans before determining the amounts to be allocated to the localities. The 1st quarter of 1991 is over, but production installations are still waiting for various things, from lists of prohibited items to quotas and specific allowed amounts, so that they can carry on their business activities without worrying.

#### Progress of Foreign Trade Bank Reported

912E0163A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 10 Mar 91 pp 1, 4

[Article by Tran Anh Thai]

[Text] In 1990, the Vietnam Foreign Trade Bank made notable progress in accordance with new commercial activities and satisfied domestic and foreign economic development needs. There are still many difficulties, however. The ranks of professional economic and technical cadres and commercial management cadres are still weak. Commercial operating procedures in accounts settlement are still shackled by the existing mechanism with respect to the settlement currency of the banking sector. Information and liaison conditions and wire transfers are still difficult. Because of this, there are still difficulties in dealing with international customers, and the international prestige of the bank has not improved. But the entire sector is carrying on commercial activities effectively. The foreign trade bank has 1.41 billion dong in capital, an increase of 50 percent compared with 1989 and 117 percent compared with the plan. Its foreign currency includes 510 million RCN and 640 million dollars. The bank has purchased \$75.5 million, an increase of 43 percent, and sold \$73.9 million, an increase of 39 percent compared with 1989. In 1990, the bank made loans totaling 2.2 billion dong, an increase of 78 percent. Outstanding debts at the end of the year totaled 600 million dong, and the turnover of the capital was 2.7 as compared with 1.7 for the previous year. Foreign capital loans totaled \$241 million, an increase of 44 percent. Besides this, the bank has established relations with many international banking organizations and created the conditions for mobilizing capital for domestic production units.

Entering 1991, the bank is continuing to make renovations, synchronize its commercial activities, and gradually regain its international prestige. Now, the bank is concentrating on organizing and managing the existing sources of capital and mobilizing foreign sources of capital in order to expand credit investment and support the economic development programs of the state. On the other hand, the bank is formulating other synchronized measures in order to put the bank's activities on the right track, ensure effective commercial operations, and support the needs of the national economy.

#### Results of Quality Studies of SRV Crude Oil

912E0192 Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 30 Apr 91 p 3

[Article by Phuoc Sanh: "Quality of Our Country's Crude Oil Has Been Determined"]

[Text] At the Vietnamese Petrochemical Refining Institute in the municipality during our recent visit, we learned that our crude oil is very rich and varied as we looked at a chart showing the results of distillation of crude oil. Heated to a temperature of 200° C, the oil sample from the Rong well yields only 8 percent of gasoline product; the sample from the Bach Ho well, 15-18 percent; but the one from the Dai Hung well, up to 25 percent. Heated to 350° C, the Dai Hung sample yields up to 60 percent of different kinds of gasoline, kerosene, and diesel oil (collectively called light products), and the remaining 40 percent, different kinds of fuel oils; the Bach Ho sample, 45-50 percent of light products; and the Rong sample, 30 percent.

The results of studies and analyses have led to this conclusion: Vietnam's crude oil attains very ideal objectives. The sulfur content is particularly very low. Sulfur compounds in crude oil cause very strong corrosion of metals during such steps as extraction, transportation, storage, refining, use, and so on. The equipment designed to eliminate sulfur compounds requires a great deal of expense, as is the case with various kinds of Middle East oil. Therefore, the world market is always strict about the sulfur content of crude oil.

Another characteristic of Vietnam's crude oil is that it contains large amount of paraffin, which make it thicken easily under normal temperatures and creates transportation difficulties, but does not affect its overall quality. Many countries have said in the past that Vietnamese crude oil is similar to Indonesia's Minas crude, or India's Bombay and China's Dai Khanh. Through meticulous studies, we have found that paraffin qualities and contents are about the same among these crude oils, but the distribution of paraffin molecules in the oils is totally different.

Those are the two state-level research subjects to which the institute has devoted its efforts to complete in the last 5 years. In addition, the institute is now refining to obtain asphalt, the last product to be obtained from our country's crude oil. Every year we need about a few hundreds of thousands of tons of asphalt, and the question is whether we should produce it domestically or continue to import it, and which way is more advantageous. This is a question we will need to answer; because our crude oil has a large paraffin content, there are difficulties in producing it, and we wonder if getting paraffin in the refining process to satisfy both domestic and export needs will be a good source of income.

The above-mentioned research results have realistically served the national economy and, as an immediate goal, the export of crude oil. The differences of 5-10 percent in the proportions of light products can lead to considerable differences in prices. With the volume of production

ranging from 3.5 to 4 million tons this year, the economic results obtained will not be negligible. Having a good knowledge of the quality of our crude oil helps us to sell it at the best price its quality allows. But much more important is the fact that accurate knowledge of the oil's qualities will be a strong basis upon which to select appropriate industries and technologies for refineries and petrochemical plants that we will be building in the future in order to obtain the greatest economic benefits. This knowledge is also useful for designing a system of pipelines to be used when the volume of crude oil production reaches 5 million tons or more per year. The information will furthermore help to satisfy our domestic fuel market needs. The various kinds of motors and engines used in our country so far are compatible with the various kinds of fuels imported from the Soviet Union. From now on, because we are going to import many kinds of motors and engines from other countries, we need to have various kinds of fuels having different quality standards. Knowing well the quality of our crude oil also helps us determine the right direction for refining activities in the future.

After 5 years of construction and operations in a sector that is totally new in our country, the Petrochemical Refining Institute, with only about 50 cadres and staff members, has obtained very encouraging initial results. In the coming years, our young oil-gas sector will surely achieve great leaps in its development.

#### **Hanoi's Export-Import Situation Viewed**

*912E0169A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 2 Apr 91 p 1*

[Article by Khac Binh]

[Text] The city's exports value norm for 1991 is \$500 million, which is 12 percent larger than in 1990. This foreign currency will help the city import materials, raw materials, and equipment for production (not including the portion of the central echelon units in the city). According to estimates made by many production and import-export units in the city, this year, import-export activities will be more difficult than last year. There are several reasons for this. The switch to economic accounting based on the market mechanism of the units that have a trading relationship with the Zone 1 countries is not normal, and markets have narrowed. The state's control of a number of import-export goods based on sector and locality is not rational, and this has created many difficulties for units that can obtain and sell products, that have customers, and that have markets. At a time when domestic production in general and production in the city in particular are still not tight, many production sectors such as agriculture, industry (textiles, machinery, hides, ready-made clothing, plastics, and art objects), and fishing must still import materials, raw materials, fuel, and chemicals from abroad. Many units are experiencing financial difficulties and will be able to produce only moderate amounts or only enough to pay the interest on their loans unless they receive timely help. On the other hand, the import-export tariff policy is playing a very

important role. This has a direct effect on the import-export commodities production costs. But this policy has not been promptly revised in accordance with each stage.

In the city, there are more than 60 units that have been authorized to engage directly in long- or short-term import-export activities and that have been authorized to engage in integrated business activities or sector activities. In 1990, these units exported commodities valued at more than \$400 million to many countries and imported materials, raw materials, and fuel to support production of industrial goods and crafts, and the handicrafts, agriculture, fishing, and construction sectors in the city and neighboring provinces. The value of these imports totaled more than \$330 million, which accounted for approximately 75 percent of the import value. This year, the city's export and import needs have increased greatly. With respect to meeting the export value goal, which calls for an increase of 11-13 percent compared with 1990, and to have imports increase 15-17 percent with the aim of balancing materials and raw materials for production, there are still difficulties that will require help from the state. Hundreds of the city's production installations and import-export businesses that have long lacked sufficient capital need to borrow money at a reasonable rate of interest in order to create additional sources of goods, goods for export, and import substitutes. On the other hand, jobs must be provided for tens of thousands of unemployed laborers. Hundreds of billions of dong are needed. In order to overcome the difficulties concerning capital, a number of units recently created additional liquid assets, renovated technical equipment, or maintained production by taking long-term foreign loans. But this is still being done on a very limited scale. Taking long-term foreign loans is essential for installations that lack capital for production and business, that have sources of goods, and that have the ability to pay back the loans. But this is not the best formula, because both sides must operate under restrictive conditions.

Just as in many other localities in the country, the city's main import-export pattern is agriculture, forestry, and marine products (except crude oil). But the city's advantage over other localities is that the technical labor forces belonging to many sectors, industries and crafts, and handicrafts installations with equipment and machinery are concentrated here. Investments are frequently made in renovation, and these installations have the ability to raise productivity and improve product quality to satisfy the requirements of foreign customers. This is particularly true of the agricultural products processing sector, the forest and marine export products sectors, the ready-to-wear clothing sector, the handicrafts and traditional art objects sector, the rubber and food processing sectors, and a number of other consumer goods sectors. These are the important factors that enable commercial production installations to have contact with a centralized market in the country and expand export markets. Expanding export markets always goes hand in hand with high production quality. Only if the products are of high quality will we be able to compete and have stable markets.

Import-export activities play a very important, if not a decisive role in many production sectors in the city and country. It will be difficult to stimulate production of export goods and import substitutes unless we soon implement policies to stimulate exports and create the conditions we need for our products to compete against imports and gradually gain a market share abroad. The import-export tariff policy and the taxes imposed on the installations that produce export goods must be reexamined in order to tightly control imports and create favorable conditions for exports. This must be done mainly by adjusting tax rates and waiving taxes on export goods that cannot compete on international markets and goods processed for export. In addition to a number of export goods that are managed by the state and for which quotas are issued, regulations of a local nature should not be maintained, and there should not be specialized sectors and business units for the production of import-export goods because this is not in line with the changes in the market economy.

#### **Factors Causing Price Increases in Rice, Paddy**

*912E0163C Hanoi QUAN DOI NHAN DAN  
in Vietnamese 16 Mar 91 p 8*

[Article by Nhi Thach]

[Text] In general, business for many types of goods sold during Tet and after Tet was slow and prices remained about the same. But the price of paddy and rice increased and could rise even higher. There are still many things that are pushing up grain prices.

Peasants continue to hold on to their paddy. They aren't selling it, because they are worried about the extended preharvest lean period. They want to have reserves. They are also worried about inflation. If prices are going to increase, it's better to have paddy and rice than cash. In the Nam Bo delta, which used to be the rice bowl of the country, there are many peasant households that are refusing to sell their paddy even though they have up to 60 tons. As a result, capabilities for providing paddy and rice to the markets continue to be limited.

Because of the limited supply capabilities, the price of paddy continues to rise. Recently, the price of paddy in the Red River delta provinces has been 1,600-1,700 dong per kg. The price of rice sent from Nam Bo to Hai Phong has increased from 1,700 dong per kg to 1,900-1,950 dong per kg (for long-grain rice, 35 percent crushed rice, and 16-16.5 percent moisture) because of the following reasons: 1) paddy prices and purchasing and milling expenses are high, 2) interest on bank loans must be paid as part of the commercial mechanism in which grain corporations are independent in terms of capital and are not compensated for losses, and 3) the taxes and fees that must be paid by the localities when shipping paddy and rice out of the province. Thus, in order to avoid losses, the retail price in Hanoi had to be increased from 1,850 dong per kg to approximately 2,050 dong per kg. At a time when peasants are concerned about the extended preharvest lean period and when people are confronted with skyrocketing prices

for almost all types of commodities and services, besides daily needs, the need to set aside reserves is becoming widespread among the people just as during the state subsidies period. This is a major reason for the great demand for paddy and rice. This has caused prices to rise gradually and even to shoot up unexpectedly.

At a time when domestic consumer needs are increasing, a large quantity of paddy and rice continues to be exported abroad in many forms (official exports and small-volume and exchange exports by speculators and so on). It can be said that the search for paddy and rice for export is one of the things directly responsible for the sudden increase in paddy and rice prices in the past period.

Setting correct guidelines for the export of rice, stopping the small-volume export and smuggling activities of speculators, strengthening anti-smuggling activities, stabilizing the markets and prices, and eliminating the inflation psychology are long-term tasks that need to be done to stabilize the prices of rice, paddy, and grain. The immediate measure is to quickly break through market blockages and eliminate the credit items of the localities with respect to the circulation of paddy and rice in order to promptly regulate the flow of these commodities nationwide. It is essential to bring national reserve paddy and rice to market in the northern provinces in order to increase regulation by the market, reduce the amount of paddy and rice sent north from the Nam Bo provinces, keep prices from rising nationwide, and exchange seeds for national reserves during the harvesting of the winter-spring crop.

#### **Increased Smuggling Activities Noted**

*912E0186B Ho Chi Minh City TUOI TRE  
in Vietnamese 20 Apr 91 pp 1, 7*

[Article by Tam Chanh]

[Text] Recently, smuggling activities have increased again, particularly the smuggling of cigarettes, gold, and dollars. Last month, city market management officials seized almost 5,000 cigarettes, \$48,874, 56 ounces of gold, and much foreign currency of other countries.

Smuggling has again become very serious in Cu Chi, just as it was in the period prior to 1 October 1990. In Thai My Village, weapons smugglers using bamboo sticks have gotten into fights with officials and even attacked the chairman of the Village People's Committee. The situation in which war invalids transport cigarettes and other contraband items has occurred over and over again. Some war invalids have used guns to intimidate "QLTT" and village officials.

Currency smuggling and the illegal buying and selling of gold and dollars are recent activities that have become particularly prevalent since the implementation of the income tax. For example, it was discovered that the household at 328B Phan Dinh Phuong was engaged in such activities. Officials seized \$40,000, 56 ounces of gold, and 266 million dong. In March 1991, Le Kim Chinh, who lives at 7 Truong Dinh, was found with almost \$13,000, 40

ounces of gold, and 234 million dong. While waiting prosecution, he again began smuggling large quantities of goods. The organizations responsible know that most of this foreign currency and gold is used in smuggling transactions.

Informed by the Municipal CPV Committee, the Municipal People's Committee established an investigative committee to clarify things in Cu Chi and determine if the district CPV Committee and People's Committee had a position on smuggling and if there were any negative aspects in cigarette production in order to reevaluate the credentials of a number of delegates elected to attend the Municipal Party Congress.

At the end of March 1991, Vo Van Kiet, the vice chairman of the Council of Ministers, sent an official message requesting that continuous action be taken to eradicate smuggling and punish those who store and transport foreign cigarettes.

#### **Cuu Long Province's Progress, Challenges Viewed**

*912E0163B Hanoi QUAN DOI NHAN DAN  
in Vietnamese 12 Mar 91 p 3*

[Article by Trieu Xuan]

[Text] Traveling in Cuu Long at the beginning of the year, it was easy to see the joys and concerns of people in the face of the new challenges. I noted this attitude in everyone from the chairman of the provincial people's committee to the peasants, who are prospering and who have recorded a good harvest in the Tam Phuong water conservancy project zone. Duong Chi Hoa, chairman of the provincial people's committee, told me that Cuu Long has 180,000 hectares planted in rice. There are 1.8 million peasants in the province, of whom more than 300,000 are ethnic Khmers. In 1990, Cuu Long recorded the highest rice yield ever, 1,117,000 tons, an increase of 100,000 tons compared with 1989. Cuu Long has completed the task of bringing electricity to Duyen Hai District. Thus, all the districts in the province are now on the national power network. The main reason for the increase in rice yields was the favorable weather, but this was also due to the fact that for 15 years, the province has constantly been building water conservancy projects, and the area planted in two crops of rice has increased. With Australia's aid in the Mekong River Project, amounting to \$5 million, the first stage of the Tam Phuong water conservancy project has been completed. This has completely changed the fields, ecology, and society of a broad area and of the people in Chau Thanh District. Before the construction of the Tam Phuong project, people here could grow only one rice crop (frequently, there had been a shortage of water at the beginning of the season, floods during the growing season, and droughts at the end of the season). The area under cultivation totaled 6,000 hectares, yields averaged 1.5 tons per hectare, and the total yield was 9,450 tons. After the first stage of the Tam Phuong Project was completed, in 1990, the area under cultivation increased to 8,457 hectares, yields averaged 3.59 tons per hectare, and the total yield was 30,345 tons, triple the rice yield before the project was completed.

I visited Thanh My Village in Chau Thanh District, one of the villages that is rapidly changing because of the Tam Phuong project. Many families have purchased television sets, Hondas, cassette tape players, and water pumps. At Thanh Nguyen Hamlet, I visited the family of Thach Manh, age 47, who lives with his wife and three small children. This is a Khmer family that has prospered thanks to the Tam Phuong water conservancy project. His family planted two crops of rice and harvested 9.7 tons of paddy.

In talking about the happiness of the ethnic Vietnamese and Khmer in Cuu Long last year, we must talk about the changes in their spiritual and social lives. The most painful thing for the people in many years was the prosecution of the KC50 case. Those who broke the law and committed crimes against the people were given harsh sentences. This has made many victims very happy. After having passed through this storm, ethnic Vietnamese and Khmer solidarity is again very strong. In 1990, 150 friendship houses were built and given to 150 families of war dead and war invalids facing serious difficulties. Almost 800 faucets were built for people living in areas that lack fresh water, mainly in areas inhabited by ethnic Khmers. All of these changes have been like a spring breeze and like heavy rain on a parched land. The people's confidence in the party and state has gradually been solidified.

But life is still very difficult. A truth that cannot be avoided is that in a year in which yields were the best ever, in Cuu Long Province there were still thousands of families that did not have enough food for 3-9 months of the year. We visited the family of Kim Den, age 69. He said that "there are five people in my family. We work 30 cong [1,000 sq m] of land. Yields are not very high because the soil here is affected by alum and salt. We don't have any capital and have had poor harvests for 7 consecutive years. Other families are experiencing difficulties just like my family." The reason for the above situation is that many families do not have capital to work the fields and they refuse to learn new techniques. Productivity is low, and they mortgage their land and cede it to others in order to work for others. The preference for working for others stems from not having any capital. But there is another reason that must be criticized and that is, people don't know how to plan and they lack resolve. They just want to have a little money to scrape by.

In response to my questions, Nguyen Van Day (Hai Trinh), the secretary of the Chau Thanh District CPV Committee, said that "there are ethnic Khmers in all the villages. About 40 percent of the households have mortgaged their land and ceded their fields. About 80 percent of the families have family members who are working for others. This is a pressing problem and a serious challenge for the Cuu Long Provincial CPV Committee and Provincial People's Committee. The spring season is approaching. Moving toward the Seventh Party Congress, what will Cuu Long Province do in the face of these challenges?"

## SOCIAL

### Nam Bo Problems Affecting Poor Farmers

912E0182 Hanoi NHAN DAN in Vietnamese  
29 Apr 91 p 3

[Article by M.T.H.: "Poor Farmers in Nam Bo"]

[Text] Life in the countryside of Nam Bo is overshadowed by three things: how to collect agricultural taxes, policies and measures on selling agricultural products, and capital investment in the countryside. These three matters affect one another and all strata of the rural population, particularly poor farmers in remote and ethnic-minority areas. Nam Bo is a rich part of the fatherland, but in addition to those who are becoming rich, there are poor farmers. Of the 12 million people living in the Nam Bo countryside about 4 million are poor and unevenly scattered in different areas. The soil and climate in general are favorable for agricultural production, but in many areas there are difficulties that are not easily overcome (saline soil, sulfate soil, and drought) and that depend greatly on gasoline and oil, fertilizer, and insecticide. The material and technological foundation is still poor; average power supply is less than 10 kilowatt hours/year. There are few roads, yards used for drying purposes, and processing facilities in many localities. Poor farmers are the social stratum with the lowest cultural background, scientific and technical knowledge, and level of cultural benefits and social care. Poor farmers in Nam Bo are an age-old phenomenon, lasting from generation to generation in some localities; in some cases, there are communities in which all of the farmers are for hire year-round. The policies on the countryside adopted after the August Revolution (temporary supply, temporary assignment, work rotation, adjustment, cooperation) reduced the numbers and areas of poor farmers. After the adoption of the "contract 10" mechanism, in which farmer households served as production units, income differences have appeared as a notable phenomenon. Becoming rich or poor was understandable in a multi-component commodity economy, but at the same time it worsened the conflict over land that took place toward the end of 1989. After Directive 47 was actively implemented, the situation got better, but many complex issues still remain. As time went by, tens of thousands of families successively fell into poverty, with many becoming penniless because of a lack of capital, working power, and plans, and because of misfortunes. If they had not been caught, they could have become victims laziness, gambling, drinking, and smuggling. Wherever poverty has spread, collateralizing, ceding, selling, and seizing land occurred, first secretly, then semi-openly. Lately such phenomena have become not only open but also continuous and ubiquitous, without effective measures being taken to

stop them. Unfortunately, as poverty has spread, the organs and organizations in charge of caring for the countryside did not appear to respond readily to it, nor did they recommend appropriate action. At the same time, a number of organs and organizations lost the people's confidence by their own behavior, by pursuing profits in business deals, exploiting price differentials, and engaging in "low blow" enterprises which resulted in bankruptcies. What was inevitable was the destruction of crops (particularly in the eastern part) and hamlets (in the U Minh Thuong area), which further pushed the latter into the serious social problems of drunkenness, thefts, robberies, and fights. In the face of such a situation, a number of localities have tried to find remedies. Hau Giang has started a credit-granting service for poor people: The Co Do Public Bank lets each household borrow from 150,000 to 200,000 dong. Regrettably, this credit service is currently available only in areas where land is rich and profitable, but is not available in localities that need to borrow money like My Xuyen, My Tu, Vinh Chau, and Long My Districts. An Giang Province has sent bank officials to production installations to draft plans and guide their production, and simultaneously to invest two-thirds of the production costs; it has thus helped boost the rice yield of Thoai Son and Tri Ton Districts to 1 ton per hectare. Many villages in Tra Cu and Vung Liem Districts (Cuu Long Province) have established mutual assistance funds for poor people. In Kien Giang Province, My Hiep Son, Mong Tho A, and Ta Tay Villages in Hon Dat, Chau Thanh, and Rach Gia Districts, respectively, have been taking care of poor farmers by lending them capital. Whatever has been done is good, but that is a drop in the bucket because there are complicated problems that cannot be solved easily. A noteworthy fact is that appropriate attention has so far not been paid to poverty among 900,000 ethnic Khmer people, 50,000 Xtieng people, 3,000 Ma people, 10,000 Cho Ro people, and 30,000 Cham people in Cuu Long, Hau Giang, Kien Giang, Minh Hai, Dong Nai, Song Be, Tay Ninh, and An Giang Provinces. Helping poor farmers is not charity, should not be considered a temporary job, and cannot be confined to a social policy. It is an important aspect of the strategy to promote socioeconomic stability and development, strengthen political stability, and drive back negative aspects and social injustice. To limit and correct poverty among farmers in Nam Bo in particular and in other regions of our country must become the concern and effective activities of party committee echelons, administrative and socioeconomic organs, sectors, and social strata. More than anything else, this is the opportunity to stress the role of the Farmers Association, which as the sociopolitical organization of the farmer's class, must be a key actor who, along with all sectors and social strata, must recommend urgent and long-term policies and measures in this issue.